



Annual Report 2020

OUR HEROES ON DUTY

FOR AN UNINTERRUPTED LIFE!





Esteemed Stakeholders,

We leave behind a remarkably difficult year. As the world dealt with an unprecedented challenge – the Covid-19 pandemic – we observed a weakening in manufacturing operations, trade activity and economic confidence. However, we started 2020 on an optimistic note and, despite enduring extraordinary conditions throughout the year, Turkey demonstrated that it is well-prepared. In fact, Turkey is among the few countries that achieved economic growth during this period.

As Kazancı Holding, we ended the challenging year of 2020 on a high note, exceeding our targets thanks to our strong financial structure and dynamic business portfolio. Despite increasing risks during the pandemic, we continued to expand our global sphere of influence with value-driven investments and projects. We also strengthened our value chain and global competitiveness, taking steps into a major journey of transformation with digitalization at its core.

As a company with operations spanning across regions, the transformation of our organizational structure is proceeding at full pace. We aim to make the Kazancı Holding of the future a more dynamic, agile and integrated organization. This objective is based on two pillars: increasing synergy among our business lines, and enhancing our digital competencies in a world where digitalization is increasingly important.

When it comes to a continuous and safe natural gas supply, Aksa Doğalgaz is the company that first comes to mind. During this difficult period, we continued making investments to reach every household in our service regions. As a leading organization in the industry, we are highly aware of our responsibilities towards our people and our country.

The Company's highly skilled workforce, as well as a corporate culture based on innovation and efficiency, will continue to be core values that empower the creation of sustainable value wherever we operate. I believe that, despite the considerable obstacles at present, we will achieve all our targets in the future – as we always have in the past. I would like to express my gratitude to all our employees for their invaluable services and contributions as they successfully move this brand into the future.

Best regards,

Ali Metin Kazancı
Kazancı Holding
Chairman



Esteemed Stakeholders,

As Kazancı Holding, we have again delivered a remarkable performance, quickly adapting to the changing requirements of a historical and turbulent period worldwide in 2020. Our strong financial structure permitted the Company to proceed with investments that can expand our sphere of influence and create added value. In this way, we supported employment and made significant contributions to the economies of those countries in which we operate. With key investments made throughout the year, as well as the undertaking of pioneering projects, we not only improved our competency in creating value, but also enhanced our resilience in the face of different future scenarios. As an organization that has operated in the energy sector since 1950s, Kazancı Holding played a key role in the development of the energy sector in Turkey, and is actively involved in the progress of the sector. We continue to move the Kazancı Holding brand into the future.

Aksa Doğalgaz safely operates Turkey's largest natural gas distribution network. In line with its staunch sense of responsibility, in 2020, the Company maintained its commitment to its investments and to supporting the national economy.

This extraordinary period confirmed that efforts to digitalize our processes and business models are justified and sound strategic steps. In 2020, as the Covid-19

pandemic began to impact all aspects of life, we intensified our efforts. We increased the number of transactions available through online channels to reduce physical contact with customers and offered continuous services without compromising on quality.

Aksa Doğalgaz ranked 56th on Fortune 500's "Turkey's Top Companies List" in terms of net sales, rising by 10 places compared to the previous year, and crowning its financial and operational performance with a significant success. Continuing its investments across Turkey, the Company aims to increase the number of districts and towns served to 316, the network length to 69,000 kilometers and the number of subscribers to 4.9 million by the end of 2026.

Leveraging our expertise and know-how in the energy sector, we will continue to focus on investments that can potentially add value to the lives of more people by enabling them to access our services. With the commitment of our employees and the support of our stakeholders, we will continue to create value for our country.

Best regards,

Şaban Cemil Kazancı
Kazancı Holding CEO and Vice Chairman

Contents

INTRODUCTION

- 14 Message from the Chairman

AT A GLANCE

- 18 About Kazancı Holding

OPERATIONS

- 22 Aksa Doğalgaz Operations Map
26 Aksa Doğalgaz Distribution
30 Board of Directors
31 Our Vision, Mission and Values
32 Senior Management
34 Organizational Chart
36 Company Managers
38 Head Office Department Managers
40 Developments in 2020
44 Financial and Operational Indicators
48 Capital and Shareholding Structure
50 Changes Occurring from the Period-End to the Issuance of the Report
52 Natural Gas Wholesale
54 Technology Management and Investments

SUSTAINABILITY

- 58 Human Resources
62 Occupational Health and Safety
66 Environment
70 Corporate Communication Activities



Please scan the QR Code to view
our corporate promotional video.

We are the biggest private natural gas distribution company in Turkey, featuring 5.5 million potential subscribers in 27 cities and 188 districts and towns with a total population of approximately 15.9 million.

During the global pandemic, we assumed a highly challenging responsibility. Each and every one of us worked unceasingly to ensure the uninterrupted supply of natural gas to millions of people. We were there to support our subscribers when they needed us, and continued to further contribute to our nation's economy.

Uninterrupted Service

Thanks to precautions taken against the coronavirus, our teams were able to work 24/7 to ensure an uninterrupted energy supply. We kept our natural gas distribution network, which is three times longer than the total boundary length of Turkey, active at all times and distributed 9.6 billion m³ of natural gas in 2020. In addition to our efforts during the pandemic, we were also among the first response teams to help people in the aftermath of natural disasters, such as earthquakes, in our regions of operation.

31,787 km

Network length



Uninterrupted Connection

Our digitalization efforts of the recent years made difficult processes easier. We expanded the scope of transactions available on online channels, thus enabling our subscribers to perform transactions in the convenience of their homes during the lockdowns and took the first precautions towards reduced contact with customers.

3 million

Number of online transactions



Uninterrupted Precautions

Since the onset of the pandemic, we have taken every precaution to protect the health of our personnel and to ensure uninterrupted services. We ensured that customer-facing personnel, including employees engaged in customer services, emergency response, and maintenance-repair and interior installation services, wear personal protective equipment during work. We reduced the number of employees working in offices, and ensured that the office spaces are regularly disinfected.

3.6 million

Number of subscribers



Uninterrupted Contribution

Aksa Doğalgaz alone accounts for 21.3% of the employment generated by the entire natural gas distribution sector in Turkey. As Turkey's largest natural gas distribution company, we not only retained our current personnel, but also recruited new employees during this challenging period.

2,520

Number of employees



Uninterrupted Success

Although we are in a challenging period, we consistently kept our targets high. In 2020, our turnover increased by 19% year-over-year, reaching TL 7.12 billion, while our shareholders' equity totaled TL 1.21 billion with a 77% increase. We aim to maintain this success and gain even more experience in international platforms.

TL 474 million

Net profit



Message from the Chairman

Uninterrupted services under challenging conditions

DESPITE THE APPREHENSION AND UNCERTAINTY CAUSED BY THE PANDEMIC, WE ADHERED TO OUR LONG-TERM STRATEGIES AND FOLLOWED THROUGH ON PLANNED INVESTMENTS. WE ADDED 1,886 KILOMETERS OF NEW DISTRIBUTION LINE TO OUR NATURAL GAS NETWORK DURING THE YEAR, INCREASING ITS TOTAL LENGTH TO 31,787 KILOMETERS.

TOTAL AMOUNT
OF NATURAL GAS
DISTRIBUTED

9.6
billion m³

Esteemed Stakeholders,

2020 was largely marked by the impact of the Covid-19, which was declared a global pandemic by the World Health Organization on March 11, 2020, following its initial outbreak in China, and heavily affecting all global economies at the same time. Lockdowns and restrictions implemented from March to contain the spread of the virus, led to challenging economic conditions that impacted all lines of business, particularly including the service sector, as well as global trade and supply chains. Governments announced comprehensive financial support programs to alleviate the disruptive effects of the pandemic, while the majority of central banks were compelled to pursue expansionary monetary policies.

Following a steep economic contraction in the second quarter, the global economy showed a strong recovery during the normalization process, which began after a gradual lifting of the pandemic restrictions. Despite this recovery, which exceeded expectations, the world economy shrank by 3.3% in 2020, recorded as one of the deepest contractions of the modern age.

Progress made in vaccine and treatment development studies, as well as effective and widespread use of expansionary monetary policies, created a relatively positive outlook towards the end of 2020. On the other hand, uncertainty regarding the course of the pandemic, concerns over the recovery of the service sector, disruptions in supply chains, and the sustainability of public finance in the context of rising debt stock appear to be the primary risks ahead.

The Turkish economy successfully passed a critical test during the extraordinary conditions of 2020.

Thanks to its strong healthcare system and the extraordinary efforts of healthcare providers, Turkey demonstrated exemplary success in the fight against the pandemic. The Central Bank announced expansionary monetary policies to limit the impact of the pandemic on the economy, and the government offered the Economic Stability Shield Package, which included comprehensive support programs. Following a 9.9% contraction in the second quarter, Turkey was among the countries that achieved the fastest recovery, with 6.7% growth in the third quarter as a result of proactive

economic measures. The Turkish economy maintained its positive outlook in the last quarter with 5.9% growth and ended the year with a yearly growth of 1.8%.

Upon the change in the economy management, which occurred towards the end of the year, the fight against inflation emerged as the highest priority, and expansionary policies were replaced by monetary tightening and simplification policies. During this period, the Turkish Lira gained apparent strength and, also, the country's risk premium quickly decreased. We expect that this strong effort towards normalization and the restoration of confidence in the economy will contribute to macroeconomic and financial stability, returning Turkey to a strong growth path in the middle term.

The natural gas distribution sector withstood the shocks caused by the pandemic.

The pandemic brought social and economic life to a halt and shaped the outlook of the energy sector, like all other sectors. Slow economic activity resulting from pandemic-related measures led to an unprecedented reduction in energy demand. This reduced demand hit oil prices first, but the prices of natural gas and other energy resources also significantly declined.

Having achieved continuous progress for more than three years under the National Energy and Mining Policy, which prioritizes the use of domestic resources and energy supply security, Turkey accelerated its efforts to take steps towards reducing its dependence on foreign energy resources, which accounted for a significant part of its current account deficit, in 2020. The most important development on the agenda of the energy market was the discovery of a natural gas reserve of 405 billion m³ by the Fatih deep-water drill ship while drilling in the Black Sea. With this discovery, it is expected that Turkey will expand its production capability and competitiveness by using domestic resources. We also believe that this discovery will bring along many opportunities in terms of price formation and supply diversity. Oil and natural gas exploration works, and the investments made to increase storage capacities, bring Turkey one step closer to its objective of becoming the region's energy center.

Following the onset of the pandemic, global energy markets suffered tremendous shocks, and natural gas consumption took a major hit throughout the world. The natural gas demand



in the industry and the trade sector declined as factories and large-scale businesses paused operations. Similarly, at Akso Doğalgaz, the amount of consumption per subscriber* declined by 4.94% in the household group, by 0.42% in the industrial customers group, and by 6.17% in the commercial enterprises during the period between March – when the first Covid-19 case was diagnosed in Turkey – and June, compared to the same period of the previous year. Consumption figures declined by 12.13% in the household group, increased by 4.15% in the commercial enterprises, and declined by 2.56% in the industrial customers group during the period from October – when the number of cases began to rise again – until the end of the year.

NUMBER OF
SUBSCRIBERS

3.6
million

*in m³

Message from the Chairman

RANKING 56TH ON FORTUNE 500'S "TURKEY'S TOP COMPANIES LIST" IN TERMS OF NET SALES, RISING 10 PLACES COMPARED TO THE PREVIOUS YEAR, WE PRIDE OURSELVES ON CROWNING OUR FINANCIAL AND OPERATIONAL PERFORMANCE WITH A SIGNIFICANT SUCCESS.

NET SALES
7.1
TL billion

The natural gas distribution sector, including 72 companies providing services in nearly 590 residential areas across 81 cities in Turkey, continued to offer an uninterrupted natural gas supply during this challenging period, too. During the year, 1.5 million people living in 39 residential areas were, for the first time, supplied with natural gas, through infrastructure and network investments exceeding TL 53 billion in total. With 8,500 kilometers of new network built in 2020, the total length of natural gas distribution network reached 156,000 kilometers.

Another development that makes 2020 a special year for our sector is that the natural gas distribution companies united under the R&D project titled "Renewable Natural Gas Production-Power to Gas," to use hydrogen derived from renewable energy resources as an alternative fuel for heating purposes. Preliminary work for the evaluation of performance and environmental impact tests regarding the injection of hydrogen derived from renewable resources into natural gas was successfully completed at the newly built Natural Gas-Hydrogen Station. This project, which is planned to be completed by the end of 2021, is intended to reduce dependence on foreign energy resources and contribute to decarbonization efforts and emission reduction.

As Aksa Doğalgaz, we took actions in 2020 to accelerate our sustainable growth and improve profitability.

A leading power in the natural gas distribution sector since its establishment, in 2020, Aksa Doğalgaz continued to fulfil all its responsibilities towards stakeholders and create value for the Turkish economy. Despite

the apprehension and uncertainty caused by the pandemic, we adhered to our long-term strategies and followed through on planned investments. We added 1,886 kilometers of new distribution line to our natural gas network during the year, increasing its total length to 31,787 kilometers. During the year, we distributed 9.6 billion m³ of natural gas, accounting for about 22.9% of the total volume of natural gas distributed throughout Turkey, and thus touched the lives of approximately 3.6 million subscribers in 188 districts across 27 provinces. In 2020, 318,000 more people living in seven residential areas experienced the service quality and privileges of Aksa Doğalgaz.

Our financial results confirm that we are progressing towards our sustainable profitability targets. Our Company had a turnover of TL 7.12 billion with 19% growth compared to 2019, and increased its equity to TL 1.21 billion with a 77% increase. During the reporting period, our EBITDA reached TL 934 million. Additionally, that profit of TL 474 million was achieved, despite downside risks elevated by the pandemic, reflects the tangible value that we create. With the latest investments worth TL 573 million made during the reporting period, the total amount of investment made since the establishment of the Company in 2002 reached TL 4.02 billion.

We ranked 56th in the prestigious Fortune 500 list of "Turkey's Top Companies" in terms of net sales, rising 10 places compared to the previous year. We pride ourselves on crowning our financial and operational performance with a significant success. The Company ranked 58th in terms of EBITDA and 64th in terms of total assets in the same survey.

We addressed the impact of the pandemic from all aspects and displayed an effective crisis management.

During the pandemic, our highest priority was to ensure the health of all our stakeholders and secure continuity of services. We applied social distancing rules and implemented enhanced hygiene measures at all of our service points. By providing personal protective equipment, we helped minimize the risk of infection to our personnel and subscribers. Furthermore, following the onset of the pandemic, we took action to facilitate social isolation for our employees by switching to the remote work model during certain times, intermittent working with 50% backup personnel and 15-day intervals at other times and, in some cases, let our employees work from their homes.

In order to reduce the use of the customer centers to comply with the "Stay at Home" calls and minimize physical contact, we carried out effective information campaigns to redirect our subscribers to the Online Transactions channel, where they could perform various transactions such as subscription applications, subscription termination and bill payments. When it was necessary to visit the customer centers, our customers were required to submit their HES (Life Fits into Home) codes before entering.

In this way, we reaped the benefits of our ongoing and increasing investments in digitalization, accelerating our digital transformation efforts to fully utilize the benefits of digitalization. We had previously put in intensive efforts to integrate SAP solutions for the energy distribution sector to all of our processes end-to-end. In 2020, we accelerated the adoption of IoT technology and prioritized synchronizing maintenance-control activities and minimizing potential faults.

Our future vision is based on sustainability.

Sustainability, which gained even more importance during the pandemic, is at the core of all Akso Doğalgaz's business models, operation outputs and corporate culture. We are committed to ensuring that the approximately 16 million people living in our service regions can breathe clean air in cities thanks to natural gas, which is an environment-friendly energy resource that can prevent air pollution due to its low carbon emissions. We monitor all environment-friendly technologies, adopt and share them with our subscribers. We continuously work to ensure widespread use of natural gas throughout Turkey and to raise

citizens' awareness regarding the environmental impact of carbon-intensive fuels such as coal. In the Company's distribution regions, carbon emissions decreased by seven million tons in just one year with the use of natural gas instead of coal. This volume is equivalent to the amount of carbon emissions offset by a forested area of 4,300 km² or as many as 300 million mature trees.

In awareness of its responsibility towards future generations, Akso Doğalgaz creates sustainable value everywhere it operates by engaging in initiatives that protect the environment and contribute to social development. Under the Energy for Tomorrow project, conducted in collaboration with the Kazancı Holding Group companies, we have so far reached approximately 2,500 students at 25 village schools in 23 cities, and talked to them about energy and its importance. With the Life Companion project, we are eliminating barriers in service delivery by going directly to the location of our disabled subscribers in emergencies. Additionally, we have sponsored the National Wheelchair Tennis Team since 2018. In 2020, our national athletes continued to make us proud with their extraordinary success in international tournaments.

TOTAL ASSETS

6.8

TL billion

WE WILL CONTINUE TO WORK UNCEASINGLY TO REACH OUR OBJECTIVES, IMPROVE OUR DIGITAL CAPABILITIES, AND CREATE SUSTAINABLE VALUE.

Driven by our values, we will continue to work for a better future.

As Akso Doğalgaz, we will continue to work unceasingly to reach the objectives declared in 2021 as part of our five-year plan, while also improving our capability to create sustainable value in parallel to digitalization and evolving trends. Furthermore, as the company leading the development of the natural gas distribution sector in Turkey, we will extend our initiatives to promote our innovative corporate culture, values and experience across international platforms.

I would like to thank all our stakeholders, especially our colleagues who make these objectives possible, and our subscribers, who have always trusted us.

Best regards,

Yaşar ARSLAN
Chairman

About Kazancı Holding

A global powerhouse with operations in 21 countries

ACTING IN LINE WITH ITS MISSION TO ADD VALUE TO TURKEY, KAZANCI HOLDING ENGAGES IN PRODUCTION ON FOUR CONTINENTS, HAS MORE THAN 8,500 EMPLOYEES, PERFORMS OPERATIONS IN 21 COUNTRIES AND EXPORTS TO 173 COUNTRIES AROUND THE WORLD.

KAZANCI HOLDING
TOTAL ASSETS

19.6

TL billion

With its foundations dating back to the 1950s, Kazancı Holding shapes its operations with a commitment to the mission of powering Turkey as a pioneer of the energy industry.

Commencing its journey in the energy sector with power generator manufacturing in the 1980s, the Group's integrated structure in the sector has evolved over time. Kazancı Group incorporated power plant construction and electricity generation into its value chain in the 1990s, natural gas distribution in the 2000s, and electricity distribution in 2010.

Kazancı Holding is a global powerhouse that engages in production on 4 continents, has more than 8,500 employees, performs operations in 21 countries and exports to 173 countries around the world.

Kazancı Group differentiates itself from the competition with its business model, which places innovation, productivity and sustainability at the heart of the operations. The Group contributes to a sustainable future by leveraging its extensive experience and expertise in all the regions where it operates while creating foreign currency inflow into Turkey. Kazancı Holding continually expands the added value it creates for the Turkish economy with investments in the agriculture and tourism sectors as well.

Committed to the fundamental principles of customer satisfaction and trust throughout its journey spanning over half a century, the Group companies figure among the top firms in their respective sectors, thanks to their impressive achievements.

Of the companies operating under the brand Aksa:

Providing natural gas distribution services in 21 licensed distribution regions, 27 provincial centers and 188 towns and districts, Aksa Doğalgaz works to ensure a comfortable life for its subscribers while contributing to the economy, society and environmental protection.

Building and operating power plants in Turkey and abroad, Aksa Energy is Turkey's largest independent power producer listed on the stock exchange. Taking firm steps towards globalization since 2015, Aksa Energy has operations in 5 countries across 2 continents with power plants located in Turkey, Northern Cyprus and Africa. It is a global energy company which performs all steps in plant installation procedures– from project development to procurement, construction and installation – in-house with its highly skilled technical teams. To date, the company

has built and operated more than 30 power plants using various energy sources, including coal, fuel oil, biogas, natural gas, wind and hydroelectricity. Akso Energy was first listed in Istanbul Stock Exchange in 2010 under the ticker AKSEN. Akso Energy's shares are traded on BIST 100, BIST Electricity and BIST Sustainability Indices.

With its customer-oriented and innovative approach, Akso Electricity is one of the strongest brands in the Turkish energy sector. It offers electricity sales and consultancy services throughout Turkey and is the authorized power supplier in 9 cities in the Fırat and Çoruh license regions. Selling electricity in 81 cities and distributing electricity to more than 2.2 million subscribers and a population of about 4 million in the Çoruh / Fırat license regions, Akso Electricity sold 11.38 TWh of electricity across Turkey in 2020. Akso Electricity is an integrated retail company that always offers its customers innovative alternative energy solutions.

The leader of the Turkish power generator market, Akso Power Generation is among Turkey's largest exporters, selling power generators to 173 countries. With 20 sales offices in Turkey as well as 24 overseas sales offices in 18 countries across Asia, Europe, Africa and America and 1 overseas representative, it is one of the top five power generator manufacturers in the world.

Akso Agriculture entered the agricultural industry in 2005, introducing a corporate approach to this key sector. Since that time, it has become a leading company in stockbreeding, dairy farming, orcharding and field plants. The Company operates its two farms in Samsun and Tekirdağ at EU standards.

Akso Tourism conducts summer and congress tourism operations at the five-star Mirada Del Mar Hotel located in Göynük, Antalya, and runs winter tourism operations at the four-star Mirada Del Lago Hotel and three-star Mirada Del Monte Hotel, located on Erciyes Mountain.

Akso Doğalgaz

3.6 million subscribers

9.6 billion m³ of natural gas distribution



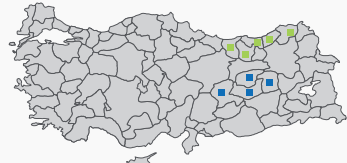
■ Akso Doğalgaz Head Office
■ Akso Doğalgaz Distribution Regions

www.aksodogalgaz.com.tr

Akso Electricity

About 11.38 TWh of electricity sold across Turkey, and electricity supply to 101 districts in 9 cities across the Çoruh and Fırat regions

6.2 billion KWh of electricity distributed to a population of 4 million through Çoruh and Fırat electricity distribution companies



■ Çoruh Electricity Distribution Regions/Çoruh Electricity Retail Sales Regions
■ Fırat Electricity Distribution Regions/Fırat Electricity Retail Sales Regions
■ Akso Electricity Sales Regions

www.aksaelektrik.com.tr
www.coruhaksa.com
www.firataksa.com

Akso Energy

Energy generation on 2 continents and in 5 countries

Turkey's largest publicly-traded independent power producer



■ Akso Energy Power Plants

www.aksaaenerji.com.tr

Akso Power Generation

One of the world's top 5 genset manufacturers

25 overseas sales points



■ Akso Power Generation Sales Offices
■ Akso Power Generation Production Facilities and Sales Offices
■ Representation Offices

www.aksaa.com.tr

Akso Agriculture

15,300 tons of milk production

20,805 tons of silage corn production



■ Tekirdağ - İnanlı Agricultural Enterprise
■ Samsun - Gelemen Agricultural Enterprise

www.aksatarim.com

Akso Tourism

697 room capacity

1,450 bed capacity



■ Antalya - Mirada Del Mar Hotel
■ Kayseri - Mirada Del Lago Hotel and Mirada Del Monte Hotel

www.miradahotels.com

Aksa Doğalgaz

Natural Gas Distribution and Sales

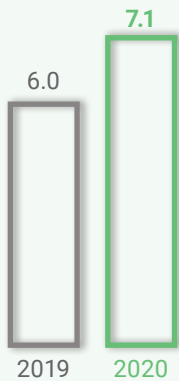


Participation Rate
99.96%

Aksa Doğalgaz is the private natural gas distribution company serving the widest geographic area in Turkey with 21 distribution licenses and a market share of 22.9%, distributing 9.6 billion m³ natural gas over a network length of 31,787 km. Aksa Doğalgaz provides service to a population of about 15.9 million and 5.5 million potential customers in 27 provincial centers and 188 towns and districts within its distribution regions.

REVENUE

TL Billion



Aksa Electricity

Electricity Distribution and Sales

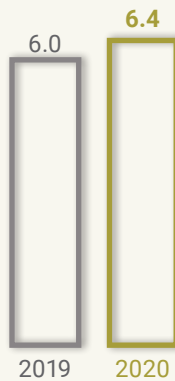


Participation Rate
100%

Aksa Electricity sold 11.38 TWh electricity in its license regions throughout Turkey in 2020, while distributing 6.2 billion KWh of energy to a population of 4 million on an annual basis in Çoruh and Fırat regions.

REVENUE

TL Billion



Aksa Energy

Electricity Generation

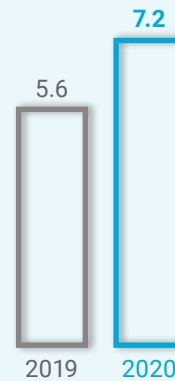


Participation Rate
79.42%

Aksa Energy produces energy in 5 countries on 2 continents and is Turkey's largest independent power producer listed on the stock exchange. With 20.58% of its capital in free float, Aksa Energy's shares are traded on BIST 100, BIST Electricity and BIST Sustainability Indices under the ticker AKSEN.

REVENUE

TL Billion



Akso Power Generation

Power Generator
Manufacturing and Sales

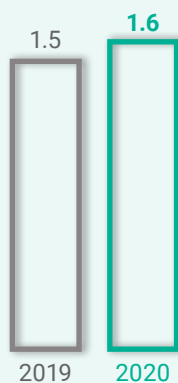


Participation Rate
99.98%

Akso Power Generation is the sector leader in Turkey, with 3 manufacturing facilities in Turkey, China and the USA; a trade center in the Netherlands which was opened in 2020; 20 domestic APCs, and 23 overseas sales offices comprised of 19 sales offices and 4 representation offices.

REVENUE

TL Billion



Akso Agriculture

Agriculture and Livestock

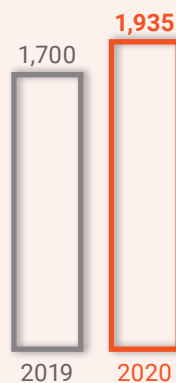


Participation Rate
100%

Akso Agriculture has leased İnanlı Agricultural Enterprise (Tekirdağ) and Gelemen Agricultural Enterprise (Samsun) for a period of 30 years. The Company is currently engaged in dairy and meat production on a land area totaling 24,000 decares.

APPLE PRODUCTION

Thousand Tons



Akso Tourism

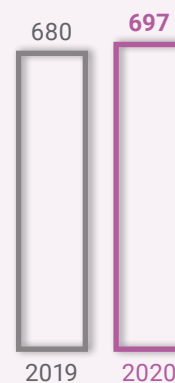
Tourism



Participation Rate
100%

Akso Tourism operates in summer and winter tourism with three hotels located in Antalya and Kayseri.

NUMBER OF ROOMS



Aksa Doğalgaz Operations Map

Natural gas distribution operations in 31 cities

AKSA DOĞALGAZ COMMENCED NATURAL GAS DISTRIBUTION OPERATIONS IN THE BALIKESIR REGION, AND IT, AS OF THE END OF 2020, OPERATES VIA ITS SUBSIDIARIES IN THE 21 REGIONS FOR WHICH IT HAS ACQUIRED THE NECESSARY LICENSES FROM THE ENERGY MARKET REGULATORY AUTHORITY.

EBITDA

934

TL million

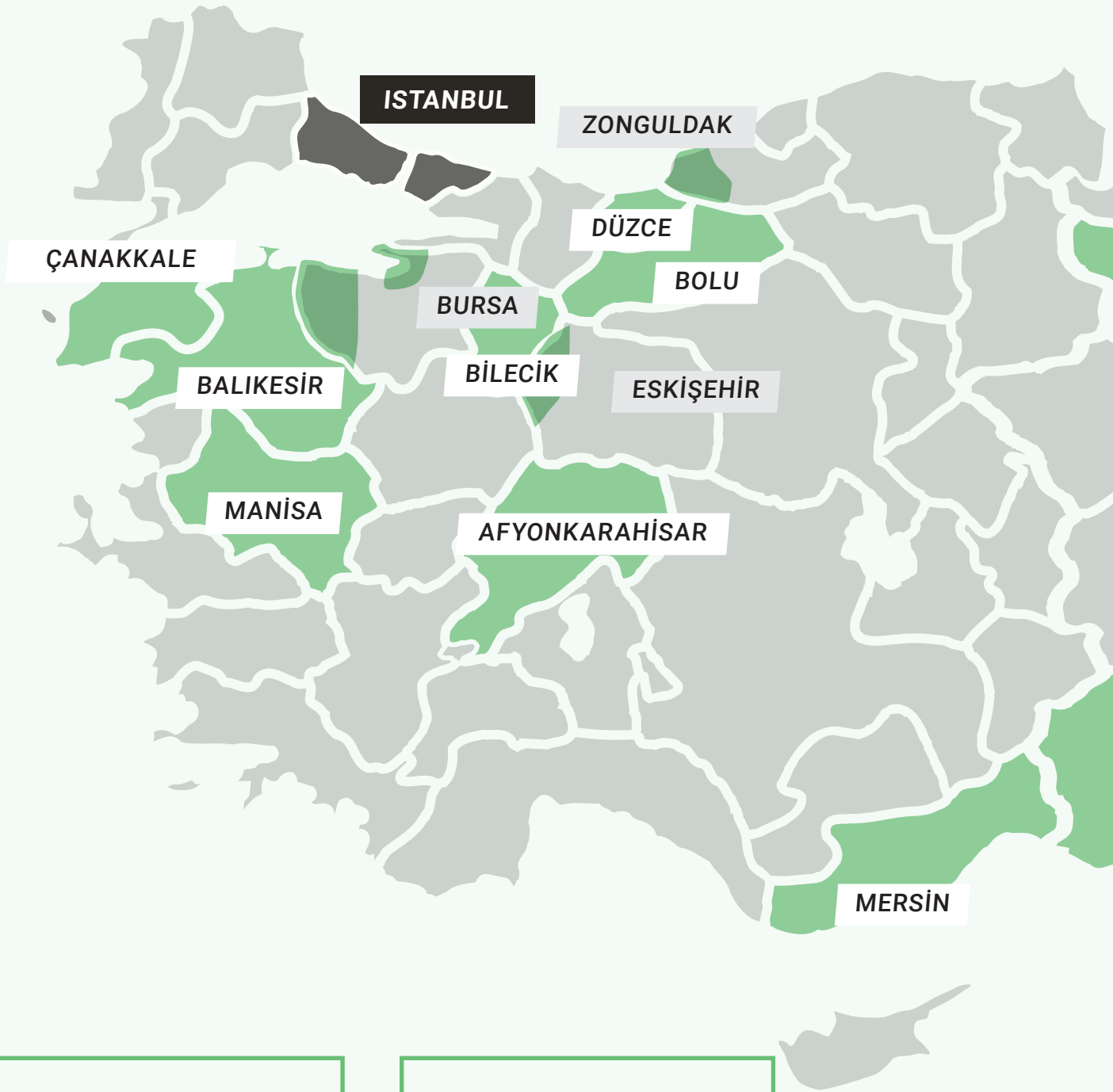
Aksa Doğalgaz commenced natural gas distribution operations in the Balıkesir region, and as of 31 December 2020, it provides services to 3.6 million subscribers in 21 out of 72 license regions in Turkey. In 2020, the Company began supplying natural gas to 7 new districts, introducing this eco-friendly, safe and clean fuel to residents.

NET PERIOD
PROFIT

474

TL million





NUMBER OF CITIES IN
WHICH WE OPERATE

31

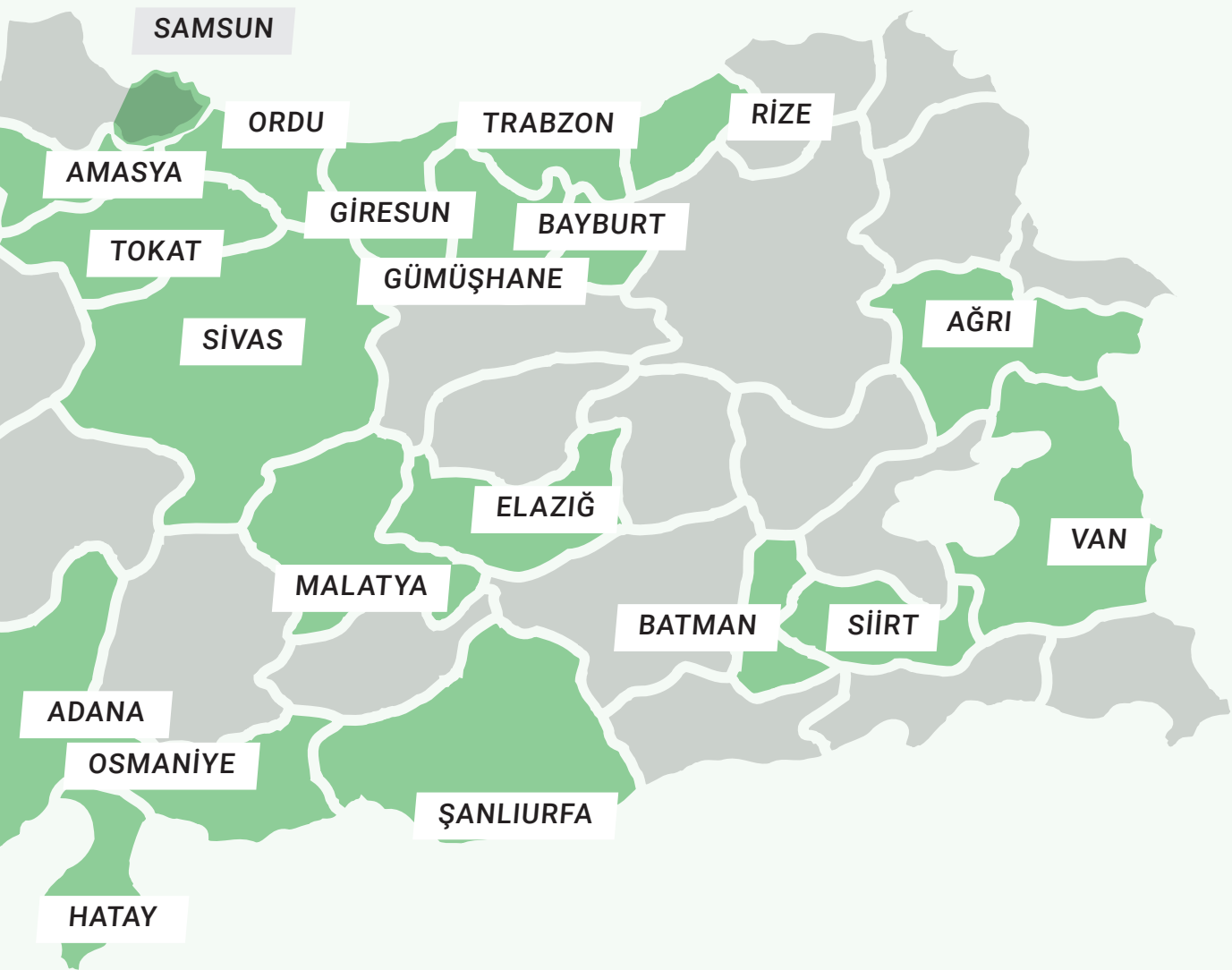
NUMBER OF SUBSCRIBERS

3.6

MILLION

Headquarters

Rüzgarlıbahçe Mahallesi,
Özalp Çıkmaızı No: 10
Kavacık Beykoz - İSTANBUL
T: +90 216 681 00 00



AS A NATURAL GAS DISTRIBUTION COMPANY WHICH PROVIDES SERVICES TO THE WIDEST GEOGRAPHIC AREA IN THE SECTOR WITH 27 CITY CENTERS AND 188 DISTRICTS AND TOWNS LOCATED WITHIN THE BOUNDARIES OF 31 CITIES COVERED BY ITS LICENSE, AKSA DOĞALGAZ AIMS TO OFFER QUALITY SERVICES IN ITS LICENSE REGIONS.

Provinces and Districts Served as of 31.12.2020

Aksa Afyon Doğalgaz Dağıtım A.Ş.

- Afyonkarahisar
- Bolvadin
- Çay
- Dinar
- Emirdağ
- Erkmən
- İscehisar
- Sandıklı
- Şuhut

Aksa Ağrı Doğalgaz Dağıtım A.Ş.

- Ağrı
- Doğubayazıt

Aksa Balıkesir Doğalgaz Dağıtım A.Ş.

- Balıkesir
- Bigadiç
- Burhaniye
- Edremit
- Havran
- İvrindi
- Kepsut

Aksa Bandırma Doğalgaz Dağıtım A.Ş.

- Bandırma
- Erdek

Aksa Bilecik Bolu Doğalgaz Dağıtım A.Ş.

- Bilecik
- Bolu
- Bayırköy
- Bozüyük
- Çukurhisar
- Dörtdivan
- Gölpaazarı
- İnönü
- Karacasu
- Osmaneli
- Pazaryeri
- Söğüt
- Vezirhan
- Yeniçağa

Aksa Çanakkale Doğalgaz Dağıtım A.Ş.

- Çanakkale
- Bayramiç
- Biga
- Çan
- Dardanos
- Ezine
- Geyikli
- Gönen
- Gümüşçay
- Güzelyalı
- Karabiga
- Kepez
- Lapseki
- Yenice

Aksa Çukurova Doğalgaz Dağıtım A.Ş.

- Adana
- Mersin
- Osmaniye
- Antakya
- Arsuz
- Azganlık
- Bahçe
- Bekbebe
- Belen
- Ceyhan
- Defne
- Denizciler
- Dört Yol
- Düziçi
- Erzin
- Hassa
- İmamoğlu
- İskenderun
- Kadiri
- Karayılan
- Kırıkhan
- Kozan
- Nardüzü
- Payas
- Reyhanlı
- Sariseki
- Tarsus
- Toprakkale
- Yumurtalık

Aksa Düzce Ereğli Doğalgaz Dağıtım A.Ş.

- Düzce
- Akçakoca
- Alaplı
- Beyköy
- Boğaziçi
- Çilimli
- Cumayeri
- Gölyaka
- Güllüç
- Gümüşova
- Karadeniz Ereğli
- Kaynaşlı
- Konuralp
- Yığılca

Aksa Elazığ Doğalgaz Dağıtım A.Ş.

- Elazığ
- Akçakiraz
- Hankendi
- Karakoçan
- Kovancılar
- Palu
- Sarıcan
- Yazıkonak
- Yurtbaşı

Aksa Gemlik Doğalgaz Dağıtım A.Ş.

- Bursa
- Gemlik

Aksa Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.

- Bayburt
- Gümüşhane
- Kelkit
- Şiran

Aksa Karadeniz Doğalgaz Dağıtım A.Ş.

- Rize
- Trabzon
- Akçaabat
- Alipaşa
- Araklı
- Ardeşen
- Arsin
- Beşikdüzü
- Çayeli
- Çiftekavak
- Der pazarı
- Fındıklı
- Gündoğdu
- Güneysu
- Hayrat
- İyidere
- Maçka
- Kalkandere
- Of
- Ortahisar
- Pazar
- Sürmene
- Vakfıkebir
- Yomra

Aksa Malatya Doğalgaz Dağıtım A.Ş.

- Malatya
- Akçadağ
- Battalgazi
- Bostanbaşı
- Darende
- Dilek
- Doğanşehir
- Gündüzbey
- Hanımçiftliği
- Hasırcılar
- Hatunsuyu
- Konak
- Orduzu
- Şahnahan
- Topsöğüt
- Yakınca
- Yeşilyurt

Aksa Manisa Doğalgaz Dağıtım A.Ş.

- Manisa
- Akhisar
- Ahmetli
- Alaşehir
- Göl marmara
- Gördes
- Kırkağaç
- Kula
- Muradiye
- Salihli
- Saruhanlı
- Soma
- Turgutlu

Aksa Mustafakemalpaşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.

- Karacabey
- Mustafakemalpaşa
- Ovaazatlı
- Susurluk
- Tatlıkavaklı
- Yalıntaş

Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.

- Giresun
- Ordu
- Bulancak
- Çarşamba
- Espiye
- Fatsa
- Keşap
- Terme
- Ünye

Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.

- Batman
- Siirt
- Kurtalan
- Tillo

Aksa Sivas Doğalgaz Dağıtım A.Ş.

- Sivas
- Cemel
- Divriği
- Gemerek
- Gürçayır
- Gürün
- Kangal
- Şarkışla
- Suşehri
- Yıldızeli
- Zara

Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.

- Şanlıurfa
- Birecik
- Hilvan
- Karaköprü
- Onbirsınan
- Siverek
- Suruç
- Viranşehir

Aksa Tokat Amasya Doğalgaz Dağıtım A.Ş.

- Amasya
- Tokat
- Almus
- Başçiftlik
- Erbaa
- Gümüşhacıköy
- Merzifon
- Niksar
- Pazar
- Reşadiye
- Suluova
- Taşova
- Turhal
- Zile
- Ziyaret

Aksa Van Doğalgaz Dağıtım A.Ş.

- Van
- Çaldıran
- Edremit
- Erciş
- Muradiye

Aksa Doğalgaz Distribution

Environment-friendly energy - natural gas

AKSA DOĞALGAZ ALIGNS ITS ACTIVITIES WITH THE MISSION TO LEAVE A MORE LIVABLE WORLD FOR FUTURE GENERATIONS BY BRINGING ENVIRONMENTALLY FRIENDLY NATURAL GAS TO MILLIONS OF PEOPLE.

NETWORK LENGTH

31,787
km

Aksa Doğalgaz was established in 2002 as an umbrella company after the government committed to a national policy of spreading the use of natural gas, a safe and clean fuel, via the private sector as an economically sound alternative for preventing air pollution caused by urbanization. Aksa Doğalgaz started its first natural gas distribution operation in the Balıkesir region. As of the end of 2020, the Company holds licenses from the Energy Market Regulatory Authority (EMRA) for 21 regions across Turkey.

Providing services in 27 provinces, 188 districts and towns through its subsidiaries with operations in these regions, Aksa Doğalgaz is the largest private natural gas distribution company and has the broadest distribution network with:

- 3.6 million subscribers,
- 9.6 bcm (billion cubic meter) of gas distributed,
- 31,787 km network,
- 22.9% market share.

The Company serves 5.5 million potential subscribers and a population of 15.9 million in its license regions. As the number of subscribers of Aksa Doğalgaz, which was 1.2 million in 2012, exceeded 3.6 million as of the

end of 2020. The company also increased its total natural gas distribution from 5.2 bcm in 2012 to 9.6 bcm as of the end of the year.

Increasing its total investment amount to TL 4.02 billion with an additional investment of TL 573 million in the activity period, the total network size of the company, which was 11,769 km in 2012, reached 31,787 km as of the end of 2020.

Shaping its operations in line with the core principle of top quality service, Aksa Doğalgaz undertakes swift investments in every region where it is responsible for natural gas distribution. The Company completed the obligatory investments in its distribution regions well before the statutory deadlines and provided the comfort and convenience of natural gas to its subscribers.

Aligning its activities with the mission to leave a more livable world for future generations by bringing environmentally friendly natural gas to millions of people, Aksa Doğalgaz also contributes significantly to the development of the country by creating employment. In 2012, the Company had 911 employees. That number reached 2,520 as of the end of 2020.

NATURAL GAS DISTRIBUTION MARKET SHARE

22.9%



Aksa Doğalgaz Distribution

AKSA DOĞALGAZ QUICKLY ADAPTED TO THE NEW CONDITIONS BROUGHT ABOUT BY THE COVID-19 PANDEMIC.



NUMBER OF
EMPLOYEES

2,520

NUMBER OF
INCOMING CALLS
TO THE SOLUTION
CENTER IN 2020

960
thousand

Boasting the most specialized staff in the sector, Aksa Doğalgaz is committed to keeping customer satisfaction at the highest level and continuously improving its service quality. In line with this vision, the Company responds to subscribers' demands around the clock via its 187 Natural Gas Emergency Line and 444 4 187 Solution Center. The Aksa Solution Center is seen as a pioneer and model in the sector thanks to its internationally recognized advanced technology and software infrastructure, state-of-the-art physical environment and high quality service. The Company quickly adapted to the new conditions brought about by the Covid-19 pandemic, prioritized the health of its employees and customers, and redirected its customers to Online Transaction channels through which they could perform all transactions related to their natural gas subscription.

Despite the increased number of incoming calls during the pandemic, in 2020, 67% of 959,816 calls made to the 444 4 187 Solution Center were answered within the

first 15 seconds and 83% of these calls were resolved. Whereas 187 Natural Gas Emergency Line received 761,183 incoming calls, 85% of which were answered within the first 15 seconds. The line resolved 83% of incoming calls with a 6-second average call response time in 2020.

In 2020, Aksa Doğalgaz distributed a total of 9.6 billion m³ of natural gas in the regions where it operates, amassing revenues of TL 7.12 billion. In 2019, Aksa Doğalgaz ranked 56th in Fortune 500's "Turkey's Top Companies" list in terms of net sales by moving up by 10 positions in the list compared to the previous year. Aksa Doğalgaz also ranked 58th in terms of EBITDA and 64th in terms of total assets. In 2021, the Company aims to deliver a total of 9.8 billion m³ of natural gas with the new production facilities added to its license regions and new investments.

KEY INDICATORS OF DISTRIBUTION COMPANIES

Distribution Company	Number of Subscribers (BBS)	Number of Subscribers (Residential)	Net Sales (TL million)	Consumption	Number of Personnel	Network Length (km)
Akso Afyon Doğalgaz Dağıtım A.Ş.	128,038	108,017	231.55	135,309,314	113	1,406
Akso Ağrı Doğalgaz Dağıtım A.Ş.	27,857	22,069	79.33	40,849,457	39	404
Akso Çukurova Doğal Gaz Dağıtım A.Ş.	595,832	497,738	1,286.55	2,461,006,357	398	5,926
Akso Bandırma Doğalgaz Dağıtım A.Ş.	71,993	64,680	160.64	1,647,224,771	52	432
Akso Balıkesir Doğalgaz Dağıtım A.Ş.	174,611	145,870	288.71	191,805,690	120	1,459
Akso Bilecik Bolu Doğalgaz Dağıtım A.Ş.	182,384	151,964	1,029.44	831,098,763	172	1,850
Akso Çanakkale Doğalgaz Dağıtım A.Ş.	180,259	152,887	288.02	263,349,642	123	1,278
Akso Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.	50,807	37,666	88.43	48,322,855	63	513
Akso Düzce Ereğli Doğalgaz Dağıtım A.Ş.	174,763	159,364	417.15	734,213,021	114	2,458
Akso Elazığ Doğalgaz Dağıtım A.Ş.	194,770	168,178	309.96	191,867,262	84	1,401
Akso Ordu Giresun Doğalgaz Dağıtım A.Ş.	214,168	182,751	353.04	772,213,969	138	1,531
Akso Gemlik Doğalgaz Dağıtım A.Ş.	46,522	42,041	60.43	134,670,621	39	316
Akso Karadeniz Doğalgaz Dağıtım A.Ş.	211,275	171,147	310.61	213,755,759	176	1,319
Akso Malatya Doğalgaz Dağıtım A.Ş.	235,580	190,947	413.38	281,127,773	113	1,721
Akso Manisa Doğalgaz Dağıtım A.Ş.	215,261	190,244	311.05	602,856,644	157	1,703
Akso Mustafakemalpaşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.	60,259	56,030	176.17	126,062,621	55	627
Akso Siirt-Batman Doğalgaz Dağıtım A.Ş.	118,126	100,874	160.56	119,816,304	78	919
Akso Sivas Doğalgaz Dağıtım A.Ş.	194,063	158,042	307.80	213,333,922	130	1,745
Akso Tokat, Amasya Doğalgaz Dağıtım A.Ş.	239,265	203,163	371.69	262,046,674	164	2,344
Akso Şanlıurfa Doğalgaz Dağıtım A.Ş.	171,345	130,947	230.22	178,324,064	119	1,178
Akso Van Doğalgaz Dağıtım A.Ş.	137,949	107,577	243.03	142,096,058	73	1,256
TOTAL	3,625,127	3,042,196	7,118	9,591,351,541	2,520	31,787

Board of Directors



Yaşar ARSLAN
Chairman

Yaşar Arslan graduated from Istanbul Technical University Metallurgical Engineering Department and worked as Operations Manager at EMAŞ A.Ş. for three years between 1985-1987. Subsequently, he held managerial positions at Al-Fahd Company, Saudi Arabia, for five years and held various managerial positions at the Istanbul Natural Gas Project at İGDAŞ for five years. He began working as Project Manager at Vinsan in 1996 and took part in İzmit Natural Gas Project, İzmit Environment Integration Project and Marmaris Environment Integration Project. He later worked as Project Manager at Yapısal as Coordinator in 2003. Following these positions, he began working as General Coordinator and Vice Chairman at Aksa Doğalgaz in 2004 and was appointed as the Head of Aksa Doğalgaz Distribution and Trade Group in 2010. Mr. Arslan currently serves as Chairman of 21 natural gas distributors, natural gas wholesalers, and CNG and LNG companies operating under the roof of Kazancı Holding. In addition, he is Vice Chairman of two electricity distribution companies. Mr. Arslan is one of the founders of the Natural Gas Distributors' Association of Turkey (GAZBİR), where he also served as Secretary General and as Chairman, each for three terms. As well, Mr. Arslan serves as Vice Chairman at the Turkish Union of Chambers and Stock Exchanges (TOBB) and the Natural Gas Assembly and Electricity Distribution Services Association (ELDER).



Ömer Muzaffer BAKTIR
Vice Chairman

Ömer Muzaffer Baktır graduated from Istanbul Technical University Mining Engineering Department in 1986 and began his career in Pamukbank as a manager in the banking sector. He has served as the Executive Vice President of Marketing at Halk Bank, CFO and also Executive Board Member of electricity distribution companies at Cengiz Holding, Deputy General Manager Responsible for Marketing and Transformation at Ziraat Bank and served in the Surveillance and Management boards of the various foreign companies of Ziraat Bank. Mr. Baktır was appointed Vice Chairman of Kazancı Holding on February 5, 2018.



Necati BAYKAL
Vice Chairman

Necati Baykal graduated from Istanbul Technical University, Department of Mechanical Engineering. He started his professional career in 1982 at WAT Electric Engine Factory as Production Planning Manager. In 1984, he joined Aksa Machine Industries as Imports Manager. After serving in various executive positions at Kazancı Holding companies, he became the Chairman of Aksa Power Generation. Currently, Mr. Baykal serves as Chairman at Aksa Power Generation, as Chairman at various Kazancı Holding electricity distribution companies, and as a Board Member at Aksa Doğalgaz.

Our Vision, Mission and Values

Our Vision

- To maintain our leading position in the Turkish natural gas sector,
- To play an active role in formulating and executing national sector-specific strategies, and to support the development and advancement of the sector,
- To extend our sector know-how and experience to international projects.

Our Mission

- Aksa Doğalgaz provides a safe, economical and uninterrupted supply of natural gas, which is an environmentally friendly, clean and convenient fuel, to its subscribers in the distribution areas where it holds a license.
- The Company builds confidence among customers by closely monitoring and adopting advanced technology developments in line with its high-quality service approach.
- Aksa Doğalgaz – Kazancı Holding's driving force –grows in parallel with the increasing pace of urbanization thanks to its experience as a pioneering, deeply-rooted company, while its profitability continues to rise through an efficient management approach.
- Shaping the sector with its know-how and experience, Aksa Doğalgaz invests in the development of its young, dynamic and creative employees who embrace the team spirit, and make them feel that they are a valuable part of the Company.
- The Company protects the environment and natural resources with its core business activities and social responsibility efforts, upholds ethical values, and contributes to social and economic development.

Our Values

Passion for Quality

Under current market and competitive conditions, offering high quality services to boost customer satisfaction is the main motivation underlying our constant self-renewal, and ever-growing passion for quality.

Scientific and People-Centered Expertise

Our expertise is based on closely monitoring every relevant technical and technological innovation, implementing improvements in response to our hardware and training requirements, and expanding these rapidly to all our departments. Our basic corporate policy is to embrace every advancement that is centered on science and people.

Solution-Focused

Our approach is to serve the common good and formulate swift solutions for our customers, country and environment.

Creativity

Even under unchangeable conditions, our corporate philosophy is to always aim for the best in line with our pioneering and creative approach, believe in the power of innovation, and translate change into development.

Respect for People, Nature and Society

In all our business operations, we strive to strike an inclusive balance beginning from the moment the investment decision is made in order to create value that benefits the environment, people and all facets of society. We aim to contribute to production, employment, energy supply security, and the national economy through our investments. We always prioritize people and the environment while implementing our projects.



Senior Management



Alper KONYALI
Vice President
1st Group

Alper Konyalı graduated from Istanbul Technical University, Faculty of Electrical and Electronic Engineering, Department of Energy. He started his professional career in 1986 at VM Engineering as Worksite Manager. In 1989, he joined İGDAŞ Istanbul Gas Distribution Company as Construction Control Manager, later serving as Head of Construction Control, and Advisor to the General Manager at the same company. At İGDAŞ, Mr. Konyalı's work focused mainly on improving and reorganizing investment processes, preparing corporate strategic plans, and establishing the materials management system. In 2007, Mr. Konyalı joined Akso Doğalgaz as General Manager. He chaired the GAZBİR Occupational Standard Designation Commissions under the Occupational Proficiency Agency. Mr. Konyalı currently serves as Vice President at Akso Doğalgaz, as well as Group General Manager and Board Member in charge of the 10 natural gas distribution companies that report to him.



Mustafa DOĞAN
Vice President
2nd Group

Mustafa Doğan graduated from Hacettepe University, Zonguldak Engineering Faculty, Department of Mining Engineering. He started his professional career in 1993 as Field Engineer at Tekfen A.Ş. He worked at Yüksel İnşaat on the İGDAŞ Project in 1996 and on the İzmit Natural Gas Distribution Project between 1997-1998. Subsequently, he served as Site Manager and Project Manager at various companies' İGDAŞ investments between 1999-2004. In 2004, he joined Akso Sivas Natural Gas as Plant Manager and later worked at Akso Düzce Ereğli Natural Gas as Company Manager. As of February 2018, Mr. Doğan serves as Vice President at Akso Doğalgaz, and as Group General Manager and Board Member in charge of the 10 natural gas distribution companies that report to him.



Yücel YAZICI
Vice President
Technical Services

Yücel Yazıcı graduated from Istanbul Technical University, Faculty of Mechanical Engineering and received his Master's degree in Energy from the same university. He started his professional career in 1990 at İGDAŞ as Worksite Manager. Later, he worked as Worksite Director at the İzmit Natural Gas Distribution project from 1996 to 2000, as Budget and Planning Officer at Alsim Alarko from 2000 to 2002, and as Investments Manager at İZGAZ from 2002 to 2004. In 2004, Mr. Yazıcı joined Akso Doğalgaz as General Manager. He currently serves as Vice President in charge of Centralized Service Departments at Akso Doğalgaz.



Şinasi GÖLBAŞI

Gas Dispatch and Trade Director

Şinasi Gölbaşı obtained his Master's degree at Istanbul Technical University, Department of Chemical Engineering. Mr. Gölbaşı started his professional career in 2004 as Measurement Engineer at Akso Doğalgaz, before becoming Gas Control Manager, Gas Control Director and, subsequently, Operations Director. From January 2016 to present, he has been serving as Gas Dispatch and Trade Director, with responsibilities including management of supply and retail sales operations of natural gas distribution companies; management of customer operations; management of measurements, automation and dispatch control operations, and management of supply and sales operations in the wholesale line of business. In addition to his role at Akso Doğalgaz, Mr. Gölbaşı has been serving as President of Dispatch Control and the EBT Commission at the Natural Gas Distributors' Association of Turkey (GAZBİR) since 2013.



Seçkin ODABAŞI

Distribution Tariffs and Planning Director

Seçkin Odabaşı graduated from Selçuk University, Department of Geodesy and Photogrammetry Engineering. He obtained his MBA from FMV Işık University. Mr. Odabaşı started his professional career at STFA Holding Energy Group's subsidiary, Enerya Gas Distribution, where he served as Project Specialist, Project Manager and Project Director, respectively. In 2010, he joined Akso Doğalgaz as Strategical Planning and Distribution Tariffs Manager, and was later appointed as Distribution Tariffs and Planning Director in 2016, which includes supervision of planning, management, tariffs, budgeting and reporting operations. In addition to his role at Akso Doğalgaz, Mr. Odabaşı has also been serving as President of Tariffs Commission at the Natural Gas Distributors' Association of Turkey (GAZBİR) since 2014.

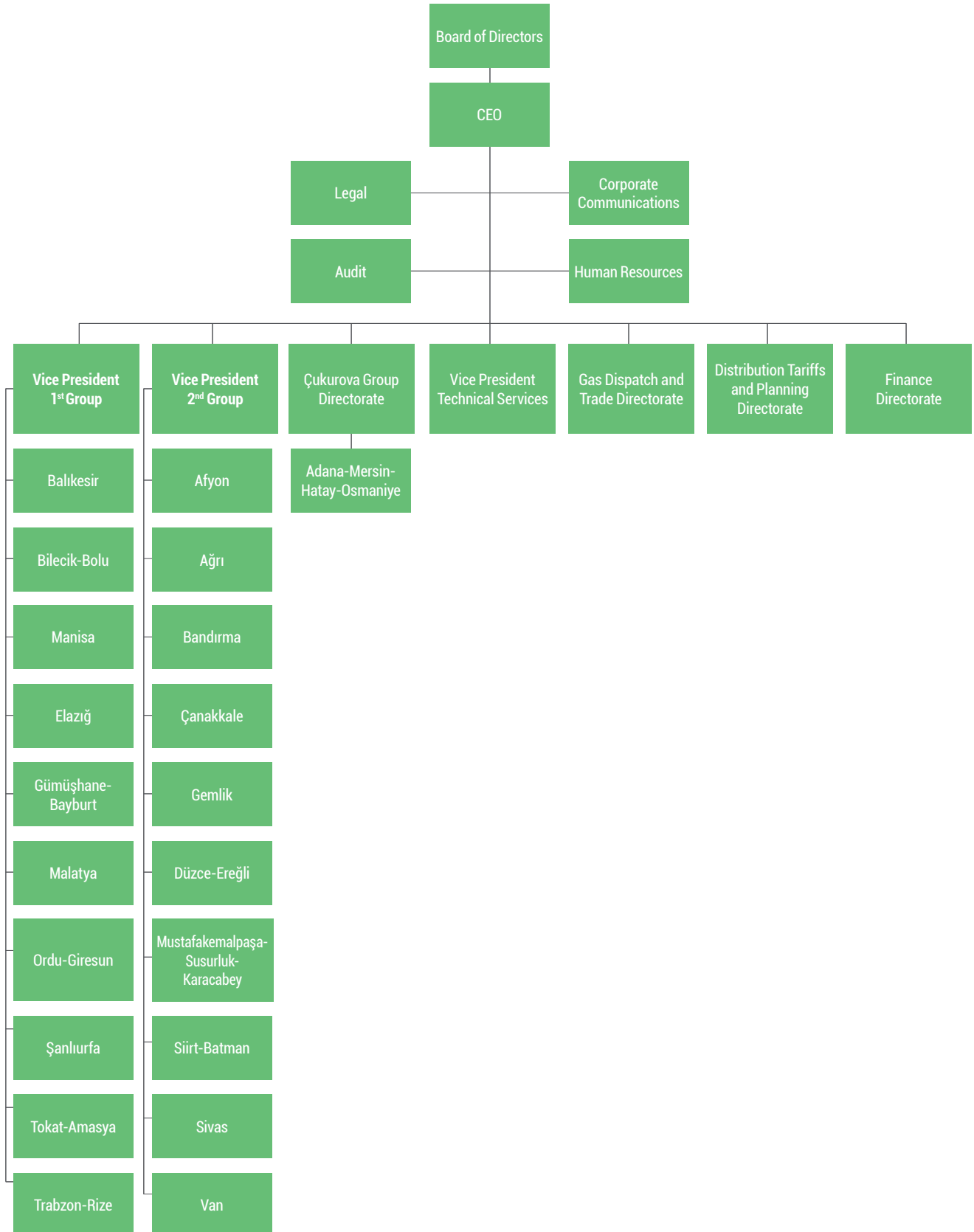


Banu GÜREL

Financial Director

Banu Gürel graduated from Marmara University, Faculty of Economics and started her professional career in 1989 in the banking sector, working as Assistant Manager at Akbank Foreign Exchange Fund Management and, subsequently, at Tekfenbank Fund Management and Securities. In 1996, she transitioned from finance to the real economy, serving as Finance Director at Merko Food Industry and Trade. In 2004, she joined Akso Doğalgaz as Financial Director.

Organizational Chart





Company Managers



Çağdaş Adıbelli
Aksa Çanakkale Doğalgaz Dağıtım A.Ş.
Birthplace and Year: Gaziantep, 1983
Commencement Date: 2014
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Doğan Gürler
Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.
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Ender Onur
Aksa Düzce Ereğli Doğalgaz Dağıtım A.Ş.
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Evren Karyağdı
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Ferhat Öztürk
Aksa Balıkesir Doğalgaz Dağıtım A.Ş.
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Güngör Ateş
Aksa Malatya Doğalgaz Dağıtım A.Ş.
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Hikmet Turan Güler
Aksa Van Doğalgaz Dağıtım A.Ş.
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Hüseyin İnan Yıldırım
Aksa Sivas Doğalgaz Dağıtım A.Ş.
Birthplace and Year: Ankara, 1977
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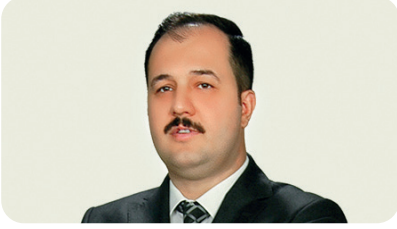
İbrahim Başaran
Aksa Manisa Doğalgaz Dağıtım A.Ş.
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Commencement Date: 2006
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Mehmet Salih Ayaydın
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Commencement Date: 2006
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Metin Ceyhan
Aksa Bilecik Bolu Doğalgaz Dağıtım A.Ş.
Birthplace and Year: Muş, 1968
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Muhammet Nezir Ural
Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.
 Birthplace and Year: Şanlıurfa, 1981
 Commencement Date: 2007
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Mustafa Karabacak
Aksa Tokat Amasya Doğalgaz Dağıtım A.Ş.
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 Commencement Date: 2004
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Yusuf Demirtaş
Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.
 Birthplace and Year: Muş, 1976
 Commencement Date: 2020
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Resul Korkmaz
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Serdar Delibalta
Aksa Mustafakemalpaşa Susurluk
Karacabey Doğalgaz Dağıtım A.Ş.
Aksa Bandırma Doğalgaz Dağıtım A.Ş.
Aksa Gemlik Doğalgaz Dağıtım A.Ş.
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Sertaç Uraz
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Aksa Afyon Doğalgaz Dağıtım A.Ş.
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Head Office Department Managers



Ayhan Çakmak
Dispatch Control and Measurements Manager
 Birthplace and Year: Istanbul, 1968
 Commencement Date: 2006
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Çağrı Ata
Customer Operations Manager
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Çelik Karlıbahar
Financial Affairs Group Manager
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Ece Bilir Sarıoğlu
Gas Trade and Operations Manager
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Efdal Doğan Timur
Interior Installation Manager
 Birthplace and Year: Adana, 1986
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Muttalip Angay
Human Resources Manager
 Birthplace and Year: Tekirdağ, 1985
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Ömer Gümüş
Supply Chain Manager
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Özgür Özkan
Marketing and Corporate Communications Manager
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 Commencement Date: 2007
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Rıza Aktepe
Technical Services Group Manager
 Birthplace and Year: Konakpınar, 1966
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Selahattin Alioğlu
**Cartography and Expropriation
Manager**

Birthplace and Year: Trabzon, 1967
Commencement Date: 2004
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Sibel Keklik
Budget and Reporting Manager
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Commencement Date: 2015
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Taylan Gök
**Integrated Management Systems and
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Manager**

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Ufuk Sağlam
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Developments in 2020

Digital transformation efforts

AKSA DOĞALGAZ REACHED 27 DIGITAL PROCESSES, 13 INTEGRATION AND 2 MILLION DIGITAL LOGS WITH PAPERWORK, AN EFFECTIVE PROCESS AND DOCUMENT MANAGEMENT PLATFORM, AS PART OF THE DIGITAL TRANSFORMATION EFFORTS UNDERTAKEN BY THE COMPANY TO MANAGE ALL THESE BUSINESS PROCESSES ON END-TO-END DIGITAL PLATFORMS.

INVESTMENTS IN 2020

573

TL million

Ranking

56th

in the "Turkey's Top Companies" list in terms of net sales

- The natural gas distribution network of Aksa Doğalgaz, at 29,901 km at the end of 2019, grew to 31,787 km as of 31 December 2020. In 2020, the Company distributed 9.6 billion m³ of gas. The number of subscribers of Aksa Doğalgaz reached 3.6 million.
- Aksa Doğalgaz ranked 56th in Fortune 500 "Turkey's Top Companies" list in terms of net sales. The Company ranked 58th in terms of EBITDA and 64th in terms of total assets.
- With its investments to date, Aksa Doğalgaz has created a natural gas conversion market worth TL 35.2 billion, around TL 25.2 billion of which has already come to fruition.
- Since its founding, Aksa Doğalgaz has helped the domestic economy and its subscribers save TL 54 billion as of end 2020.
- During the pandemic, Aksa Doğalgaz viewed the health of both its employees and subscribers as the highest priority and quickly took all necessary measures. The Company continued to carry out its field activities and took all necessary measures in branches, i.e. physical contact points, in order to avoid any unwanted situation.

It also carried out various communication campaigns during the year to redirect its customers to the Online Transactions channel and the 444 4 187 Solution Center, which were developed as a result of its investments in digitalization.

- Aksa Doğalgaz initiated the R&D project titled "Renewable Natural Gas Production-Power to Gas" with other natural gas distribution companies to ensure use of hydrogen derived from renewable energy resources as an alternative fuel for heating purposes. This significant project, led under the supervision of GAZBİR-GAZMER in collaboration with Yıldız Technical University, aims to secure energy supply, improve energy efficiency and reduce carbon emissions.
- Revising all business processes in L2-L3-L4 phases, Aksa Doğalgaz reached 27 digital processes, 13 integrations and 2 million digital logs with PaperWork, an effective process and document management platform, as part of the digital transformation efforts undertaken by the Company to manage these business processes on end-to-end digital platforms.



- Within the scope of the Life Companion project, developed by Akso Doğalgaz in 2015 to ease processes for subscribers with disabilities, the number of registered subscribers rose to 4,561 as of the end of 2020. In 2020, 1,571 calls were answered, with an average response time of 6 seconds; solutions were provided for issues experienced by 118 disabled subscribers in collaboration with emergency teams. The Company once again demonstrated its commitment to eliminating barriers by contributing to the success of the National Wheelchair Tennis Team in 2020 under the sponsorship provided since 2018.
- The "Energy for Tomorrow" social responsibility project initiated in 2019 by all Akso companies of Kazancı Enerji Group traveled throughout Turkey until the outbreak of the pandemic. The project team, also including volunteering employees from Akso Doğalgaz, traveled more than 8,500 km and gave comprehensive training on energy to approximately 2,500 students in 25 village schools in 23 cities.

R&D Activities

After completing three R&D projects in the previous period, Akso Doğalgaz initiated three new R&D projects in 2020: "Renewable Gas Production"; "Remote Reading of Meters and the Manipulation Detection System"; and the "Natural Gas Technical Product/Material Technical Principles and Supply Management System (SMS)."

AN R&D PROJECT ON RENEWABLE GAS PRODUCTION WAS DEVELOPED TO HELP SECURE TURKEY'S ENERGY SUPPLY AND RESET NATURAL GAS' POTENTIAL IMPACT ON THE ENVIRONMENT.

Renewable Gas Production R&D Project

An R&D project on Renewable Gas Production was developed to help secure Turkey's energy supply and reset natural gas', the most environment-friendly source of energy, potential impact on the environment. The Company aims to produce natural gas via processes that ensure supply security as well as energy efficiency. This involves the use of composite gas, obtained by blending the hydrogen obtained using renewable energy sources with natural gas, and thereby reducing dependence on imports as well as carbon emissions. Hydrogen is expected to play a critical role in the future due to changing supply dynamics and the actions taken by Europe in order to reduce greenhouse gas emissions and use of fossil fuels in energy production.

Hydrogen is much more than just a means for decarbonization. It can also be used as a medium for storing and transitioning renewable energy during excess energy supply. Integration of hydrogen with natural gas enables cost-efficient transport of large amounts of energy over long distances. Injection of hydrogen into natural gas networks not only reduces greenhouse gas emissions, but also offers more environment-friendly alternative options to meet energy demand of end users.

Developments in 2020

THE RENEWABLE GAS PRODUCTION R&D PROJECT, CARRIED OUT BY GAZBİR GAZMER IN COLLABORATION WITH YILDIZ TECHNICAL UNIVERSITY AND CLOSELY MONITORED BY THE MINISTRY OF ENERGY AND NATURAL RESOURCES AND EMRA, WAS MET WITH GREAT INTEREST IN THE GENERAL PUBLIC.

NATURAL
GAS MARKET
GENERATED WITH
INVESTMENTS

35.2

TL billion



With the Natural Gas-Hydrogen Station project, electricity will be produced by employing solar and wind renewable energy methods; hydrogen and oxygen will be obtained from such electricity by using the electrolysis of water method and stored in cylinders and fuel cells; derived hydrogen will be injected into the natural gas pipelines, and a composite fuel will be created and used as fuel in burners such as natural gas boilers and ovens in pilot regions. Test and feasibility results obtained in the pilot regions will lay the foundation for the required regulations. The facility to be built under this project is intended to be serve as an R&D center for long-term studies in this field throughout Turkey.

During activities performed in 2020, blending 20% hydrogen with natural gas, which was the project's objective, was successfully completed. This project, carried out by GAZBİR GAZMER in collaboration with Yıldız Technical University and closely monitored by the Ministry of Energy and Natural Resources and EMRA, was met with great interest in the general public.

ENERGY SAVINGS
PROVIDED TO
THE NATIONAL
ECONOMY AND
OUR SUBSCRIBERS

54

TL billion



Remote Reading of Meters and Manipulation Detection System

The previous designed manipulation detection module, utilizing magnetic field detection method, has been successfully developed. Phase II study has been initiated as it was determined that a remote reading and control system offering capabilities to read indexes and send remote commands needed to integrated into the same system for more efficient and effective use of the solution.

This project aims to reduce unauthorized gas use to zero, quickly identify points of unauthorized gas use and prevent any unauthorized use, measure real-time consumption, and send remote commands, including commands to remotely turn off/on meters by detecting magnetic effects through methods such as magnets that can be easily accessed and applied to the natural gas meters.

Natural Gas Technical Product/ Material Technical Principles and Supply Management System (SMS) Project

With the Natural Gas Technical Product/ Material Technical Principles and Supply Management System, we aim to establish a system that can uphold the quality standards in the sector and is used as a reference by both suppliers and distribution companies.

WITH NATURAL GAS TECHNICAL PRODUCT/ MATERIAL TECHNICAL PRINCIPLES AND SUPPLY MANAGEMENT SYSTEM, WE AIM TO ESTABLISH A SYSTEM THAT CAN UPHOLD THE QUALITY STANDARDS IN THE SECTOR.

This project is intended to create a Supply Management System that will include manufacturers/importers meeting the criteria of the technical principles to be determined by evaluating the adequacy of technical products/materials to be used under field conditions, supply products/materials that are continuously checked for fitness for use to the national natural gas market and thus contribute to the safety of installations and natural gas lines. When the system becomes functional, firms will be encouraged to supply high quality products to the natural gas market and to manufacture products with domestic and national resources, and the market share of those firms will increase with the right national competitive conditions. The project also aims to contribute to the national economy by minimizing the manufacturing, transportation and storage costs of products that are not suited to field conditions.

Financial and Operational Indicators

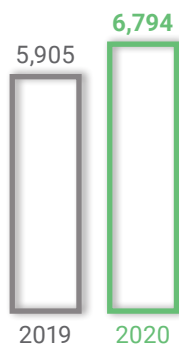
Successful financial and operational results

ENDING 2020 WITH STRONG FINANCIAL AND OPERATIONAL RESULTS, AKSA DOĞALGAZ INCREASED ITS NET SALES BY 19% TO TL 7.1 BILLION AS OF THE END OF 2020.

FINANCIAL INDICATORS

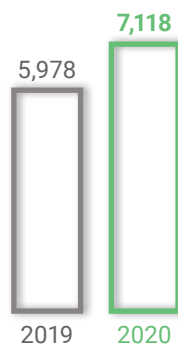
TOTAL ASSETS TL MILLION

+15%
GROWTH



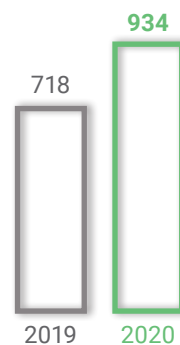
NET SALES TL MILLION

+19%
GROWTH



EBITDA TL MILLION

+30%
GROWTH



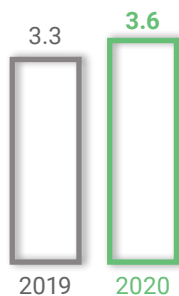
Financial Indicators (TL Million)	2019	2020	Change %
Net Sales	5,978	7,118	19.1
Total Assets	5,905	6,794	15.0
Total Shareholders' Equity	684	1,210	76.8
Total Investments	523	573	9.6
Gross Profit for the Period	595	779	30.8
Operating Costs	471	543	15.2
EBITDA	718	934	30.0
Net Profit for the Period	289	474	64.3

CONTINUING TO EXPAND ITS NATURAL GAS DISTRIBUTION NETWORK EVERY YEAR, AKSA DOĞALGAZ MANAGED TO INCREASE ITS NUMBER OF SUBSCRIBERS TO 3.6 MILLION AS OF THE END OF 2020.

OPERATIONAL INDICATORS

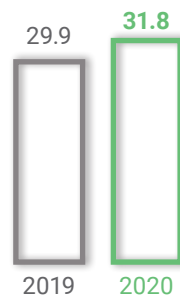
TOTAL NUMBER OF SUBSCRIBERS MILLION

+10.6%
GROWTH



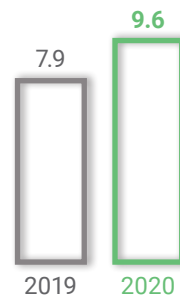
NETWORK LENGTH THOUSAND KM

+6.3%
GROWTH



TOTAL CONSUMPTION BILLION M³

21%
GROWTH



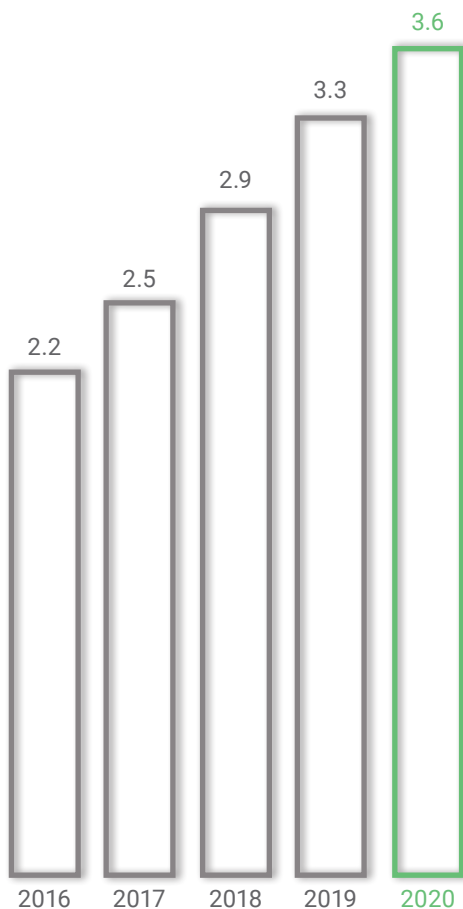
Operational Indicators	2019	2020	Change %
Natural Gas Distribution Licenses	21	21	-
Total Number of Subscribers	3,277,470	3,625,127	10.6
Total Number of Residential Subscribers	2,741,619	3,042,196	11.0
Potential Number of Residential Subscribers	5,362,320	5,534,568	3.2
Network Length (Km)	29,901	31,787	6.3
Total Consumption Volume (M³)	7,915,543,435	9,591,351,541	21.2

Financial and Operational Indicators

AKSA DOĞALGAZ INCREASED THE VOLUME OF NATURAL GAS DISTRIBUTED FROM 7.5 BILLION M³ AT THE END OF PREVIOUS YEAR TO 9.6 BILLION M³ AT THE END OF 2020.

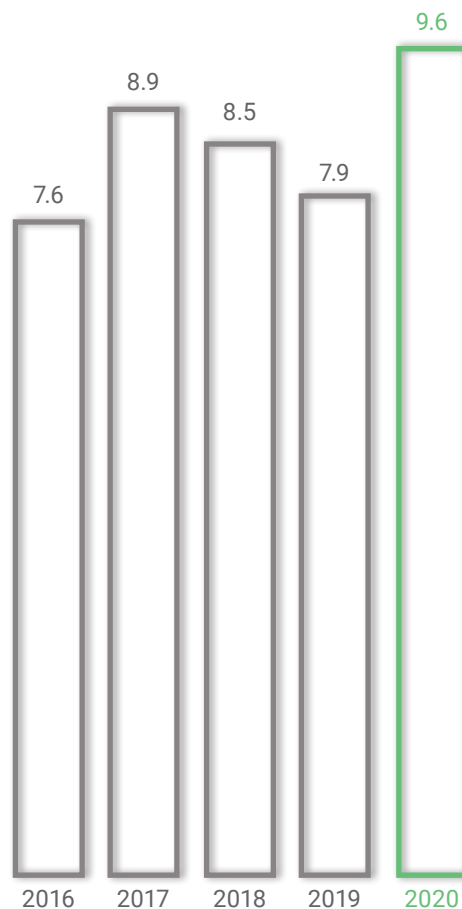
NUMBER OF SUBSCRIBERS
(MILLION) CHANGE (2016->2020)

+64.4%
GROWTH



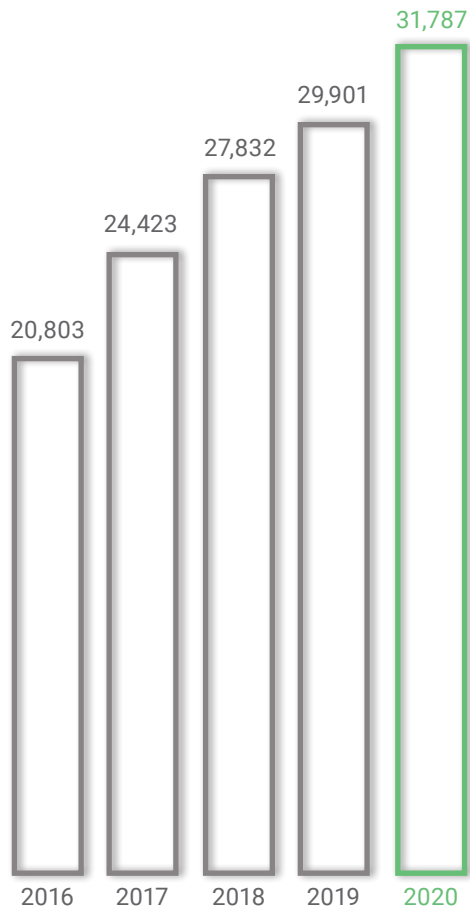
CONSUMPTION
(BILLION M³) CHANGE (2016->2020)

+25.8%
GROWTH



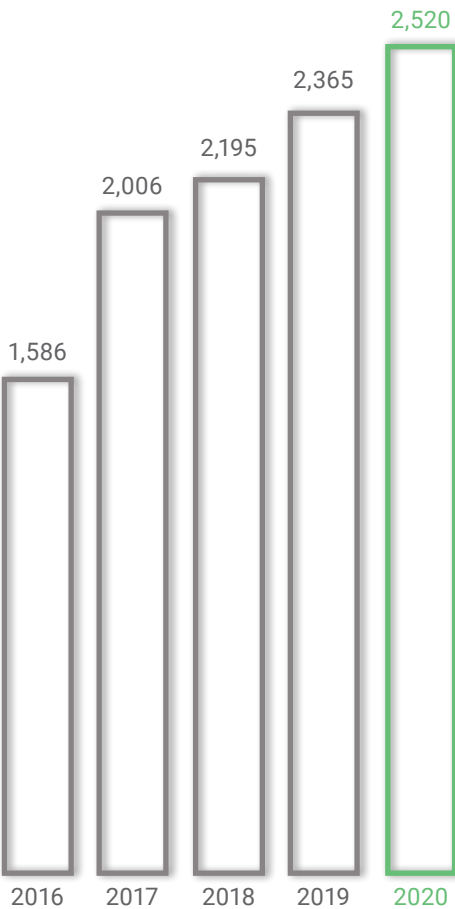
CHANGE IN NETWORK LENGTH
(KM) CHANGE (2016->2020)

+52.8%
GROWTH



HEADCOUNT (PEOPLE)
(PERSON) CHANGE (2016->2020)

+58.9%
GROWTH



Capital and Shareholding Structure

No.	Commercial Title	Registered Capital	KAZANCI HOLDİNG A.Ş.	AKSA DOĞALGAZ DAĞITIM A.Ş.	MUNICIPALITIES	KAZANCI FAMILY AND OTHERS
1	AKSA DOĞALGAZ DAĞITIM A.Ş.	186,524,750	99.9571%			0.0429%
2	AKSA AFYON DOĞAL GAZ DAĞITIM A.Ş.	45,000,000		86.97%	10.00%	3.03%
3	AKSA AĞRI DOĞALGAZ DAĞITIM A.Ş.	1,000,000		100.00%		0.00%
4	AKSA BALIKESİR DOĞAL GAZ DAĞITIM A.Ş.	21,000,000		89.20%	10.00%	0.80%
5	AKSA BANDIRMA DOĞALGAZ DAĞ. A.Ş.	1,000,000		86.97%	10.00%	3.03%
6	AKSA BİLECİK BOLU DOĞALGAZ DAĞITIM A.Ş.	18,000,000		89.20%	10.00%	0.80%
7	AKSA ÇANAKKALE DOĞALGAZ DAĞITIM A.Ş.	21,000,000		89.20%	10.00%	0.80%
8	AKSA ÇUKUROVA DOĞALGAZ DAĞITIM A.Ş.	160,000,000		89.44%	9.91%	0.65%
9	AKSA DÜZCE EREĞLİ DOĞALGAZ DAĞITIM A.Ş.	26,000,000		89.20%	10.00%	0.80%
10	AKSA ELAZIĞ DOĞALGAZ DAĞITIM A.Ş.	5,500,000		87.00%	10.00%	3.00%
11	AKSA GEMLİK DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
12	AKSA GÜMÜŞHANE BAYBURT DOĞALGAZ DAĞITIM A.Ş.	1,000,000		96.97%		3.03%
13	AKSA KARADENİZ DOĞALGAZ DAĞITIM A.Ş.	1,000,000		91.55%	7.65%	0.80%
14	AKSA M.KEMALPAŞA SUS. KAR. DOĞAL GAZ DAĞITIM A.Ş.	2,000,000		86.97%	10.00%	3.03%
15	AKSA MALATYA DOĞALGAZ DAĞITIM A.Ş.	1,000,000		89.78%	10.00%	0.22%
16	AKSA MANİSA DOĞALGAZ DAĞITIM A.Ş.	15,000,000		89.20%	10.00%	0.80%
17	AKSA ORDU GİRESUN DOĞAL GAZ DAĞITIM A.Ş.	1,000,000		89.20%	10.00%	0.80%
18	AKSA SİİRT BATMAN DOĞAL GAZ DAĞITIM A.Ş.	1,000,000		97.00%		3.00%
19	AKSA SİVAS DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
20	AKSA ŞANLIURFA DOĞAL GAZ DAĞITIM A.Ş.	5,000,000		75.00%	10.00%	15.00%
21	AKSA TOKAT AMASYA DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
22	AKSA VAN DOĞALGAZ DAĞITIM A.Ş.	1,000,000		89.20%	10.00%	0.80%
23	AKSA DOĞALGAZ TOPTAN SATIŞ A.Ş.	7,700,000	99.2000%			0.80%



Changes Occurring from the Period-End to the Issuance of the Report

Renewed subscriber management system

IN HORIZON21 PROJECT, THE CONCEPTUAL DESIGN STAGE OF THE CORPORATE RESOURCE PLANNING COMPONENT S/4 HANA SYSTEM WAS REACHED; THIS FACILITATES SAVING, CLASSIFYING, SUMMARIZING, ANALYZING AND REPORTING THE DATA OF 21 NATURAL GAS DISTRIBUTION AND 3 COMMERCIAL COMPANIES UNDER AKSA DOĞALGAZ AS OF 2020.

NUMBER OF
POTENTIAL
SUBSCRIBERS
TARGETED

5.7
million

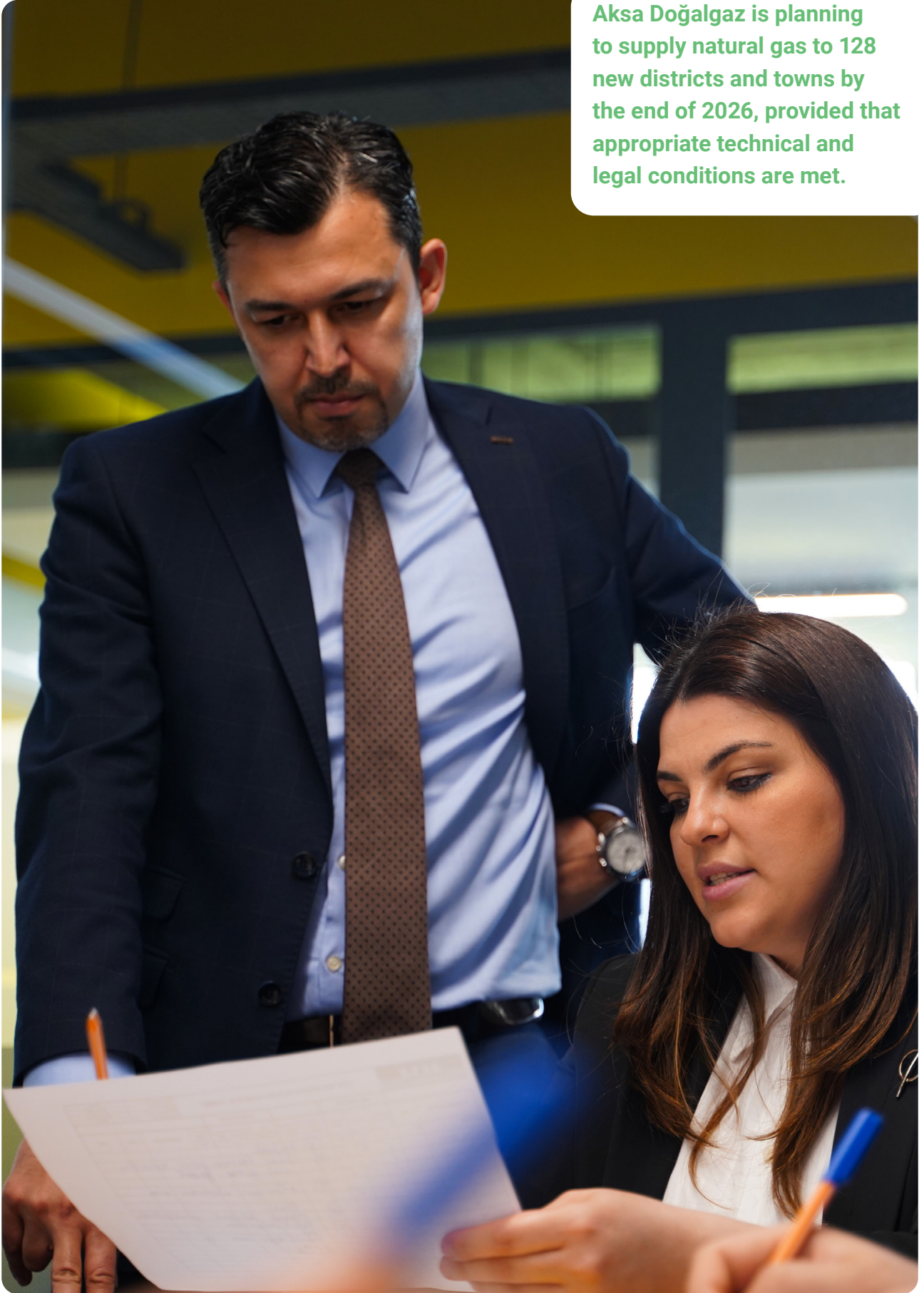
Renewing its subscriber management system to provide higher quality services to its customers, Aksa Doğalgaz launched the Horizon21 project in September 2019. Within the scope of the project, the Company started to change its office, site and web applications and to increase the points of integration.

In Horizon21, the conceptual design stage of the corporate resource planning component S/4 HANA system was reached; this facilitates saving, classifying, summarizing, analyzing and reporting the data of 21 natural gas distribution and 3 commercial companies under Aksa Doğalgaz as of 2020. Intensive efforts commenced to improve customer services, financial affairs, logistics, and operational processes. After the completion of the project, solutions at global standards will be achieved in terms of data entry, data processing, reporting and analysis. Aksa

Doğalgaz expects the project to be completed by mid-2021 and plans to ensure widespread implementation of the project.

In keeping with these planned expansion efforts, Aksa Doğalgaz aims to deliver natural gas to 27 provinces and 213 districts and neighborhoods within the boundaries of 31 provinces in 2021, with its 21 natural gas distribution licenses. This expansion enables Aksa Doğalgaz to extend its potential customer reach to 5.7 million.

Within the scope of the credit rating process carried out by JCR Eurasia Rating Inc., Aksa Doğalgaz's credit rating was affirmed with the highest-level investment grade. The Long-Term National Rating is "A+ (Trk)/(Stable Outlook)" and the Short-Term National Rating is "A-1 (Trk)/(Stable Outlook)."



Aksa Doğalgaz is planning to supply natural gas to 128 new districts and towns by the end of 2026, provided that appropriate technical and legal conditions are met.

Natural Gas Wholesale

Active role in the natural gas market

AKSA DOĞALGAZ TOPTAN SATIŞ A.Ş. PLAYS AN ACTIVE ROLE IN ALL MARKET RELATED ACTIVITIES IN ORDER TO HELP CREATE AND DEVELOP A FREE MARKET IN NATURAL GAS.

NATURAL GAS
TRADE VOLUME
IN 2020

604
TL million

Aksa Doğalgaz Toptan Satış A.Ş. was established on October 19, 2006 following the enactment of Law No. 4646 on the Natural Gas Market. The Law was passed to grant an unfettered and transparent structure to the natural gas market, in order to deliver high quality, continuous and economical natural gas to consumers in line with the principles of free competition and environmental protection. The Company engages in wholesale operations in the natural gas sector.

By winning the tender held on January 12, 2007 by Turkish Petroleum (Türkiye Petrolleri Anonim Ortaklığı – TPAO), the Company obtained the right to sell the natural gas produced at the Akçakoca-Çayağzı Natural Gas production facilities from Turkey's own resources for a three-year period. On May 23, 2007, with the commissioning of the TPAO Akçakoca Çayağzı production facility, Aksa Doğalgaz Toptan Satış A.Ş. became the first Turkish company to engage in wholesale natural gas activities in Turkey. Aksa Doğalgaz Toptan Satış A.Ş. has diversified its supply sources over time as a result of its proactive and market-oriented strategies. In 2019, the Company received import (spot) license.

Aksa Doğalgaz Toptan Satış A.Ş. engaged in supply and resource planning efforts and signed agreements for medium-term natural gas procurement from various sources and at flexible terms. The Company performed close-of-day transactions whenever needed, as well as day-ahead and intra-day transactions under the right conditions via the Continuous Trading Platform, which became operational on September 1 under Enerji Piyasaları İşletme A.Ş. (EPİAŞ). In 2019, as a result of the disproportion between supply costs and market prices, a limited amount of transactions could have been made as in the entire sector. Necessary agreements were concluded for supply planning for industrial facilities and electric production plants for 2020.

Aksa Doğalgaz Toptan Satış A.Ş. plays an active role in all market related activities in order to help create and develop a free market in natural gas. The Company has obtained a stake in the Energy Exchange Istanbul (EPİAŞ), which was established to this end. The Company will continue its efforts as an active player of the continuous trade platform which will also host free market transactions. The company aims to source



inexpensive natural gas from overseas and supply it to domestic customers, in the event a competitive market is created and natural gas imports are liberalized.

Although the sector took a prudent stance in 2020 compared to the previous year, Aksa Doğalgaz Toptan Satış A.Ş. executed

supply and sales agreements in line with its objectives. The Company evaluated the opportunities arising during the year and sold 391.1 million m³ of natural gas to the customers in the industry and electricity production portfolio in 2020 and ended the reporting period with a turnover exceeding TL 600 million and an EBIDTA of TL 9.7 million.

NATURAL GAS
SALES TO
INDUSTRY AND
ELECTRICITY
PRODUCTION
PORTFOLIO OF
CUSTOMERS

391
million m³

Technology Management and Investments

Advanced technology products

IN ORDER TO IMPROVE PROCESSES AND DIVERSIFY SERVICES PROVIDED TO SUBSCRIBERS, AKSA DOĞALGAZ DETERMINES ITS NEEDS BY USING ADVANCED TECHNOLOGY PRODUCTS BASED ON COST-BENEFIT OPTIMIZATION RESULTS.

Placing a special focus on identifying technological needs and formulating accurate solutions, Aksa Doğalgaz is committed to operating all systems in an integrated manner at the product selection and design stage and maintaining information security. In order to improve processes and diversify services provided to subscribers, the Company determines its needs by using advanced technology products based on cost-benefit optimization results.

Aksa Doğalgaz employs SAP in its basic enterprise resource planning (ERP) systems, which include accounting, finance, maintenance, stock management and procurement. The FIORİ project, which was launched three years ago, enables the Company to conduct maintenance management and reporting in a more efficient

manner, allowing senior management to analyze and manage the field with a continuous data flow.

With the ever-increasing number of mobile devices, data on field operations is recorded in data systems in real time. This data is reported via the PowerBI reporting platform, and users are able to access the reports from any device. Through use of same applications and CBS integration, Aksa Doğalgaz achieved up-to-date and uniform records of assets for the maintenance and repair activities of all distribution companies. When carrying out operations, related instructions and supplementary procedure images can be accessed to minimize human error.

Conceptual Design report for the SAP - Horizon21 Project which was initiated in 2019 has been completed and received management approval. Phase-1 test activities of the project have been completed, and the project is progressing according to the schedule. The project will go live in the second half of 2021, after which various activities will be performed to ensure widespread use of the project.

THROUGH USE OF SAME APPLICATIONS AND CBS INTEGRATION, AKSA DOĞALGAZ ACHIEVED UP-TO-DATE AND UNIFORM RECORDS OF ASSETS FOR THE MAINTENANCE AND REPAIR ACTIVITIES OF ALL DISTRIBUTION COMPANIES.

The Company acquired and began using the IBM Cognos TM1 software to analyze budget and planning processes according to new scenarios, and enhance predictability and reliability for consolidation of the Group, which has a large number of distribution companies. Thus, Akso Doğalgaz distribution companies are now able to enter their budget forecasts into the system, calculate financial data automatically and plan their budgets easily. The distribution companies can report budget and actualized figures in any format and detail through the same system and publish the reports instantly on the internal web portal.

The Company uses Microsoft Dynamics as the Call Center management system. The Dispatch Control Center's software and equipment have been validated via audits conducted by EMRA and are used in the distribution regions with full capabilities. Iconics Genesis 64 is used as SCADA software. The SCADA project is also a crucial component of the Company's digital transformation process. The 3D-supported drawing platform – the first of its kind in the sector – coupled with IoT support, data analysis, advanced report structure, effective alarm status management, trend support for practical data visualization, and other such developable additional modules have allowed for the creation of a robust systems infrastructure.

Mobile platforms top the agenda regarding the facilities provided by the Dispatch Control Center. With the launch of the new software, the Company started using customizable applications which run on all types of mobile devices and that can be easily configured according to one's needs.

Akso Doğalgaz has reached an agreement with Turkcell related to the disaster recovery center which will ensure the system's continuity in case of a disaster. The Company also completed work on satellite communication solutions to ensure communication back-up in regions that lack terrestrial lines.

The Company has installed special illegal gas usage detection devices on four monitoring vehicles that run along the steel and PE natural gas distribution lines and at all A, B, and C-type pressure reduction and measurement stations of Akso Doğalgaz's 21 natural gas distribution companies. The Company also uses handheld detection devices employing optic sensor technology to check for unauthorized gas use. These



AKSO DOĞALGAZ USES MICROSOFT DYNAMICS AS THE CALL CENTER MANAGEMENT SYSTEM.

efforts cover a total distance of 100,000 km, twice a year, to check for any illegal gas usage. All findings are reported in detail. Providing uninterrupted and secure gas supply in service regions is a top priority. Therefore, existing vehicles were replaced with new ones, two new vehicles were added to the fleet, and the total number of natural gas leak detection vehicles increased to six as of the end of the year. In addition to vehicle investment, all of the natural gas leak detectors that had been actively used for more than 10 years were replaced with highly-sensitive, modern devices.

Akso Doğalgaz evaluates user experience input regarding all operational steps of the maintenance management system that need improvement and through which it collects data from the field in real-time. It also evaluates new technological features of the SAP S/4HANA project. In this context, the Company continues to work on version upgrades for the Maintenance Management System, which is integrated with all other units and processes and offers the ability to work online/offline from anywhere at any device.

Technology Management and Investments

AKSA DOĞALGAZ LAUNCHED THE HORIZON21 PROJECT, WHICH IS AIMED AT MANAGING BIG DATA IN A QUICK, EFFECTIVE AND TRANSPARENT MANNER, AND UNIFYING ALL ITS END-TO-END OPERATIONAL PROCESSES ON A SINGLE SYSTEM.



In today's world where the IoT technology transforms traditional production methods, Aksa Doğalgaz has accelerated adoption of such new technologies. In addition ERP and other technological solutions, the Company also has consolidated all of its equipment with end-to-end data exchange, performs maintenance and control operations in a synchronized manner and aims to minimize the number of faults. Data analyses are conducted to determine root cause of faults. Furthermore, based on the results of these analyses, key steps are taken to minimize human error, ensure proper management of processes, create a working environment which can anticipate other potential faults, and select the most efficient and reliable equipment and incorporate them into the system. As a result these activities, the Company aims to establish a "Smart Network Management" structure. As Aksa Doğalgaz, we are aware that the energy

sector involves highly hazardous and risky operations. Therefore, we continue to offer field trainings as well as hold online interactive training organizations and develop related documentation due to the increased number of employees working remotely as a result of the pandemic. Thus, we support newly recruited personnel to shorten their technical adaptation period.

Developments in 2020

Accelerating digital transformation efforts across all processes, Aksa Doğalgaz successfully completed an innovative project on subscriber management in 2020. Commencing in September 2019, the Horizon21 project segment – Customer Service, Invoicing and Site Workforce Management Application – features a new set of systems, to be deployed in place of the ATOS ABYS system, as the Subscriber Management System. Aksa Doğalgaz launched the Horizon21 project, which is aimed at managing big data in a quick, effective and transparent manner, and unifying all its end-to-end operational processes – mainly customer services in its wide distribution area – on a single system.

IN TODAY'S WORLD WHERE THE IOT TECHNOLOGY TRANSFORMS TRADITIONAL PRODUCTION METHODS. AKSA DOĞALGAZ ACCELERATED ADOPTION OF NEW TECHNOLOGIES.

Within this scope, S/4 HANA will be transitioned from the current SAP ERP. The conceptual design stage of the corporate resource planning component S/4 HANA system was reached; this facilitates saving, classifying, summarizing, analyzing and reporting the data of 21 natural gas distribution and three commercial companies under Akso Doğalgaz. Intensive efforts have been commenced to improve customer services, financial affairs, logistics, and operational processes. The project is expected to be finalized in 2020, achieving the best solutions in line with global standards in terms of data entry, data processing, reporting and analysis.

Akso Doğalgaz launched the e-Archive bill application as part of its digitalization efforts. Thanks to the application, major cost benefits were obtained in terms of printing, sending and archiving bills as well as reducing the labor involved. More effective control was achieved over bill processing with the transition to e-archive bill application in January 2020. And, as of July 2020, the e-dispatch note project was put in place. With this project, we achieved more effective control over dispatch note processing. We have not only improved efficiency and time management, but also help preservation of the environment by reducing use of paper.

In 2019, the transition to the Electronic Account Statement (EHO) was completed and the application went live. With EHO, approximately 1,300 bank accounts under 20 banks are able to be tracked on a real-time basis. The Company implemented it in 2020, improving its reporting capabilities and discovered new areas of application.

Akso Doğalgaz carries out some of Turkey's most extensive GIS projects in terms of scale, setting an example for many other countries. Through the CBS project developed with ESRI products, the entire network of the Company is more easily monitored and updated through ArcGis desktop applications and the web application. In 2019, the Company improved data quality and began to perform network analyses. Thus, in the event of natural gas supply interruptions, subscribers who are affected by the interruption can be notified, and the specific gas valves can be accessed and closed.

Through granular data fields under CBS, including province, district, neighborhood, avenue, street and building fields, address updates are tracked dynamically and the data is provided to peripheral applications via CBS.



**MORE EFFECTIVE CONTROL WAS ACHIEVED
OVER BILL PROCESSING WITH THE
TRANSITION TO E-ARCHIVE BILL APPLICATION
IN JANUARY 2020.**

In 2019, the progress payment report application went live, shortening the progress payment preparation process; the application allows the receipt of the as-built data subject to the progress payment entered to the CBS system in a template suitable for an Excel file.

Developments in the WEB (MVYS) system, verbal, locational and statistical data query features based on map selection, as well as free building search tools (i.e. Google) were included.

Map support is provided for the Fiori application, for leakage search activities, and the screened line details regarding leakage search screening are shared within the scope of integration. This development allows the viewing of scanned lines, the call periods and the regions in which a leakage search was conducted.

Developments made to the desktop system make it possible to obtain the information of the equipment on the line from the line they are on in an orderly fashion; some equipment is now automatically removed by the system according to line construction and the type of the line. Furthermore, the lines without gas supply and service box components, determined with network analysis, can now be displayed via web and mobile with the model.

Human Resources

Our real assets: Human Resources

AKSA DOĞALGAZ STRIVES TO CREATE A WORK ENVIRONMENT BASED ON AMIABILITY, RESPECT, DIVERSITY AND EQUAL OPPORTUNITY. THE COMPANY BELIEVES THAT SUCCESS WILL BE ACHIEVED ONCE THESE PRINCIPLES ARE IMPLEMENTED IN A TRANSPARENT AND EQUITABLE MANNER.

NUMBER OF
PERSONNEL

2,520

Human Resources Policy of Aksa Doğalgaz

Aksa Doğalgaz sees its workforce as its greatest asset, and bases its Human Resources Policy on the values of Kazancı Group.

In order to deliver high quality services to its customers, the Company continuously provides its employees with opportunities to improve their professional, intellectual and behavioral skills, thus boosting their productivity. The Company strives to add to the Aksa family those team members in harmony with its corporate culture, who possess the competence, knowledge and development potential to carry the Company forward into the future.

Keen to evaluate employee performance in the most accurate manner and maintain staff happiness at the highest level, Aksa Doğalgaz strives to reach its corporate objectives driven by a strong sense of team spirit based on the power of solidarity, thanks to dedicated staff, and the importance it places on employees' families. The main axis of the Company's Human Resources Policy is to build the organizational structure of all the companies under Aksa Doğalgaz Group with teamwork-oriented, open-minded, productive individuals.

The Company focuses on those persons who uphold its corporate values, helping them to constantly develop themselves in line with the culture of excellence. The objective is to become a company that inspires pride in all employees.

Aksa Doğalgaz strives to create a work environment based on amiability, respect, diversity and equal opportunity. The Company believes that success will be achieved once these principles are implemented in a transparent and equitable manner.

Selection and Placement

Aksa Doğalgaz aims to attract those candidates needed to achieve the Company's strategic planning objectives and long-term targets. The Company conducts the selection process in line with the principles of equal opportunity and non-discrimination. Aksa Doğalgaz recruits those individuals who possess the experience and competence demanded by the position. In addition, the Company develops and manages the staff in a systematic fashion.

Employment applications received are assessed by the Human Resources Department based on candidate competence. First, the Department makes a preliminary

assessment of the candidates. In the second stage, the relevant unit managers evaluate their technical proficiency. Selection is made from among those candidates who are customer focused; open to learning and change, adaptable to multicultural environments, in step with technology and innovations, and who embrace teamwork. After these assessments, outstanding candidates are asked whether they remain interested in the relevant position, provided preliminary information about the job, made an offer, and recruited if they accept.

Training and Development

As required by its corporate vision, Aksa Doğalgaz competently equips its personnel with the knowledge and experience required by the times, aims them to acquire an infrastructure already prepared for the future by creating values that go beyond the current age; and accordingly, supports its employees with training programs designed to help them adapt proactively to change and developments so as to contribute both to their own personal development as well as to their companies. Aksa Doğalgaz aims to continuously improve its organization, and ensure that everyone embraces the culture of learning. To these ends, the Company provides the staff with various training and development opportunities in keeping with their professional and personal development needs.

Aksa Doğalgaz supports each employee with planned and continuous work from the first day. The training process starts with an Orientation program, so that employees can adapt to the Company and their job, and receive all the information they need.

Under this program, employees receive basic information on:

- The Company's various policies, visions, missions and values,
- Human resources practices,
- The relevant function, position and department.

Throughout their tenure at the Company, employees are offered training programs to help them develop the individual competence demanded by their post in line with their overall career plans. As part of employee career planning, priority is given to those personnel who have been promoted to a higher position or who have assumed new tasks after shifting to a new position at the Company, so that they can work in a more productive manner.



Aksa Doğalgaz's training programs include:

- On-the-job Training,
- In-house Career Training,
- Training Outside the Company,
- Online Training.

These programs help employees translate the potential they possess into maximum occupational performance.

Performance Management

To ensure that all Aksa Doğalgaz companies achieve the corporate strategies and high quality standards, both corporate and individual efforts and success are monitored and measured with the "Performance Management" system. Performance assessments are conducted on an annual basis. Each year, high scoring staff members are rewarded.

AKSA DOĞALGAZ SUPPORTS EACH EMPLOYEE WITH PLANNED AND CONTINUOUS TRAINING FROM THE FIRST DAY AT WORK.

Human Resources

AKSA DOĞALGAZ WAS AWARDED THE “RESPECT FOR HUMAN” AWARD BY KARIYER.NET - AN AWARD WHICH IS GIVEN TO COMPANIES THAT RESPOND TO JOB APPLICATIONS WITHIN THE SHORTEST TIME, RESPOND TO THE MOST JOB APPLICATIONS, RECEIVE THE HIGHEST NUMBER OF APPLICATIONS AND CREATE THE MOST EMPLOYMENT OPPORTUNITIES.



AVERAGE AGE OF
EMPLOYEES

33

Remuneration Policy

In shaping its remuneration policy, Aksa Doğalgaz Group takes into account the national economic conditions, striving to be fair within the Group and competitive within the sector. The Human Resources Department's market surveys, performance assessment results and business analysis methodology are used to determine the salary scale and pay rises. Employees are rewarded according to their performance to keep their motivation at a high level.

Pandemic Management

During the pandemic, Aksa Doğalgaz quickly adapted to new working methods and switched to working from home. Employees who are required to work at the office undergo Covid-19 tests on a regular basis. An employee loyalty survey was conducted to measure employee satisfaction, and relevant feedback was received.

The Company continued to support professional and personal development of its employees during this period as well Face-to-face training programs held at Aksa Academy were turned into online classroom training programs. In addition, an e-learning platform (akademi.aksa.com.tr) was established to enable all employees to more quickly access trainings in a digital environment.

In 2020, the Company went on to recruit employees as planned according to the requirements. Aksa Doğalgaz was awarded the “Respect for Human” award by Kariyer.net - an award which is given to companies that respond to job applications within the shortest time, respond to the most job applications, receive the highest number of applications and create the most employment opportunities.

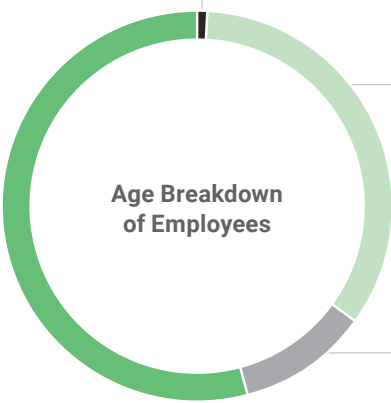
Under the Kazancı Holding young talent recruitment program “EnerjiMAXa,” many new graduates were given the opportunity to start their career.

51-60
1%

35-50
36%

26-34
54%

18-25
9%



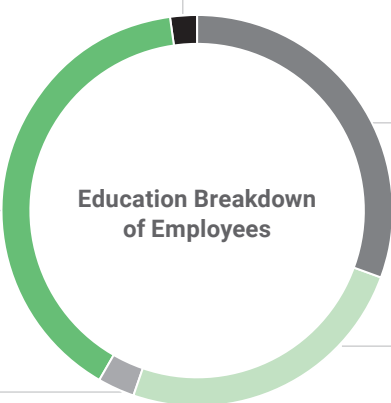
Post Graduate
2%

Associate Degree
33%

High School
34%

Bachelor's Degree
29%

Elementary School
2%



Male
84%

Female
16%



Occupational Health and Safety

Human health always remains as the top priority

IN ACCORDANCE WITH LAW NO. 6331 ON OCCUPATIONAL HEALTH AND SAFETY, AKSA DOĞALGAZ FULLY MEETS ALL OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS RELATED TO ITS EMPLOYEES AND STAKEHOLDERS.

OCCUPATIONAL
SAFETY TRAININGS
GIVEN IN 2020

43,616
hours

In every province and district where it holds a license, Aksa Doğalgaz aims to deliver uninterrupted natural gas distribution.

In accordance with Law No. 6331 on Occupational Health and Safety, the Company fully meets all occupational health and safety requirements related to its employees and stakeholders.

To ensure that employees return home safe and sound every night, Aksa Doğalgaz is committed to fostering an OHS culture and ensuring that occupational safety awareness is shared by every staff member. To this end, the Company attaches great importance on the "ISO 45001:2018 Occupational Health and Safety Management System." With a view to establishing the continuity of the Occupational Health and Safety Management System, the Company launched a central Occupational Health and Safety project in March 2015 across Turkey, featuring the country's top doctors and specialists.

Occupational health and safety efforts, which are among the Company's most important core activities, are based on the "AKSA OHS Software" specially designed for Aksa Doğalgaz in response to specific corporate requirements. Programmed in accordance with the Law No. 6331 on Occupational

Health and Safety and the ISO 45001:2018 Management System, AKSA OHS software dynamically monitors and checks all activities carried out by 2,850 employees within 21 distribution companies. AKSA's OHS software centrally controls and reports all occupational health and safety activities related to an employee from the moment of recruitment onwards. The software also measures the occupational health and safety performance of the 21 distribution companies.

In 2020, software development studies resulted in an additional module, which allows findings obtained by OHS Experts during field audits to be instantly reported and added to the performance monitoring system by uploading documents such as audio, video and pictures. The Environmental Management Module incorporated into the software is also used to monitor hazardous and non-hazardous waste under the Environmental Management System.

To identify and prevent any external hazard, annual risk assessments are conducted in all distribution companies; the findings of these studies are eradicated in the most expeditious manner with the participation of employees. Disabled, pregnant or breastfeeding staff is given priority in risk assessments.

In 2020, Akso Doğalgaz collaborated with 21 distribution companies to develop an Emergency Handbook (EH) against natural disasters such as earthquake, flood, landslide, explosion and fire as well as risk factors such as electricity, line faults, sabotage. This Handbook covers all emergency response instructions to ensure the safety of Akso Doğalgaz's subscribers, general public, and the Company employees.

At Akso Doğalgaz, all required activities falling under Law No. 6331 on Occupational Health and Safety were conscientiously carried out during the year. Some 43,616 hours of occupational safety training were delivered (2,850 person*hours). Furthermore, the following efforts were undertaken during the year:

- Annual study and annual evaluation reports,
- Employee representative meetings,
- MYK Training Programs,
- Planned OHS training programs,
- OHS training for new employees,
- Planned health screenings,
- Health examinations for new employees,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,
- Grounding measurements, electrical installation checks,
- Hygiene measurements at newly opened locations,
- Lightning rod measurements and checks,
- Emergency team training,
- Emergency evacuation drills,
- First aid training.

To proactively reduce any possible damage from work accidents and occupational diseases, special occupational health and safety funds have been allocated within the budgets of distribution companies. Positive results have been obtained in the root cause analyses of the occupational accidents monitored since 2016. Accident Frequency Rates (AFR) and Accident Incident Rates (AIR) referenced by the International Labor Organization (ILO) dropped 10% as of the end of 2020, while the Accident Severity Rate (ASR) fell by 10% at the Company. The target for 2021 has been determined as 15% reduction.

Via continuous education and awareness raising efforts, Akso Doğalgaz is committed to the Company's ultimate goal of "zero work accident" and its slogan "People First." Under the leadership and guidance of its management and the participation of its employees, Akso Doğalgaz continuously moves toward becoming the "most reliable corporation" in the industry in terms of occupational health and safety.



Fight Against the Covid-19 Pandemic

The Coronavirus outbreak originally emerged in China during the beginning of 2020 and quickly spread to different parts of the world, and on 11 March 2020, the World Health Organization (WHO) declared the outbreak a global pandemic. Upon emergence of the pandemic, the "Akso Covid-19 Emergency Plan," which is a part of emergency handbook (eh), was quickly developed and put in place to protect both the health of employees and the public health and implemented in 21 natural gas distribution companies.

As part the precautions and responsibilities that needed to be followed by office and field employees against the Covid-19 pandemic, training programs were held by workplace physicians and a common sense and behavior rules were developed.

DECLINE IN
ACCIDENT
FREQUENCY RATE
IN 2020

10%

"AKSA COVID-19 EMERGENCY PLAN" WAS QUICKLY DEVELOPED AND PUT IN PLACE TO PROTECT BOTH THE HEALTH OF EMPLOYEES AND THE PUBLIC HEALTH.

Safe Work Plans were created in March 2020 to be implemented during the Covid-19 pandemic. These plans were then updated on a monthly basis, sent to the regions and checked for effectiveness. The number of cases and the number of people under quarantine, which could vary from region to region, were followed on a weekly basis. Additionally, regulations, rules and

Occupational Health and Safety

REGULATIONS, RULES AND ANNOUNCEMENTS PUBLISHED BY THE MINISTRY OF FAMILY, LABOR AND SOCIAL SERVICES, PROVINCIAL HEALTH DIRECTORATES AND GOVERNORS' OFFICES WERE FOLLOWED AND REFLECTED IN THE COVID-19 SAFE WORK PLAN.



announcements published by the Ministry of Health, the Ministry of Family, Labor and Social Services, Provincial Health Directorates and Governors' Offices were followed and reflected in the Covid-19 Safe Work Plan.

The Covid-19 Safe Work Plan contains the following main topics which cover each business process:

- Determining the minimum number of office and field employees and developing weekly and monthly shift work plans,
- Inclusion of office employees to working from home program by providing them with computers, VPN, phone and equipment,
- Disinfection of office and company vehicles at least twice a week,
- Putting employees who pose a risk for infection in 14-day quarantine and monitoring their health,
- Allowing field employees to work along the route from home-work and vice versa with company vehicles to limit physical contact during work,
- Providing and dispensing PPE and other equipment such as FFP2-FFP3 face masks, gloves, face visors, overalls and hand sanitizers for protection against virus to all office and field personnel.
- Arranging Customer Services areas so that is not more crowded than 1 person per 4 m² of area.
- Restricting the area in front of the Customer Service counters by securing it with tapes to keep a distance of 1.5 meter and placing a transparent protective plate,
- Requiring both employees and people visiting the Customer Centers to submit their HES (Life Fits into Home) code before entry to the company premises,
- Visiting subscribers above 65 years of age at their locations to perform their transactions.

AKSA DOĞALGAZ TOOK MEASURES TO REQUIRE BOTH EMPLOYEES AND PEOPLE VISITING THE CUSTOMER CENTERS TO SUBMIT THEIR HES CODE BEFORE ENTRY TO THE COMPANY PREMISES.



Environment

For a better future to live in

AKSA DOĞALGAZ SEES PROTECTION OF NATURE AS CRITICAL TO ACHIEVING SUSTAINABLE GROWTH. THE COMPANY SHAPES ITS BUSINESS OPERATIONS AROUND MINIMIZING ITS ENVIRONMENTAL FOOTPRINT AND CONTRIBUTES TO EFFORTS FOR PRESERVATION OF THE ENVIRONMENT.

AMOUNT OF
WASTE DISPOSED
IN 2020

130+
tons

Environmental Policy

Aksa Doğalgaz sees protection of nature as critical to achieving sustainable growth. The Company shapes its business operations around minimizing its environmental footprint and contributes to efforts for preservation of the environment. Aksa Doğalgaz will continue working toward the goal of leaving a healthy environment for future generations while abiding by all legal and regulatory requirements. With this vision, Aksa Doğalgaz has formulated an Environmental Policy based on the following principles:

- Safely minimizing the environmental footprint of the Company's operations in collaboration with all its stakeholders and leaving a healthy environment for future generations,
- Adding value to the environment and quality of life by ensuring continuous improvement in compliance with applicable environmental legislation, under the scope of ISO 14001:2015 Environmental Management System,
- Using natural resources in an efficient manner to minimize waste and prevent pollution at the source,
- Keeping under control the possible environmental impact of subcontracted companies,

- Supporting all stakeholders deemed relevant in terms of environmental training and practices to actively promote environmental sustainability and development.

Environmental Risk Management

All operations of Aksa Doğalgaz are designed to fulfill all requirements of environmental regulations. To ensure sustainability of its operations, the Company meticulously identifies environmental impact and other related factors and regularly updates inputs and outputs of all business processes.

At each company in licensed regions, Aksa Doğalgaz review the environmental risks identified by the Environmental Committee on a yearly basis and keep them under control through a proactive approach. The Company sorts such identified risks according their severity:

- Eliminating risks at the source,
- Replacing high hazards with lesser hazards,
- Implementing engineering measures,
- Making use of ergonomic approaches.



With ISO 14001:2015 Environmental Management System, Aksa Doğalgaz aligned its strategical approach with the environmental management system, while also improving the organization's environmental performance. The continuity of the system is confirmed with annual audits performed by accredited firms.

The Company applies the requirements of the Environmental Management System to all of its business operations and is audited by relevant accredited organizations on a yearly basis to maintain its system certification and validate its compliance with the system.

Waste Management

Waste management and environmental permits are key components of the environmental management approach at Aksa Doğalgaz. To reduce the waste produced by distribution companies, methods such as reuse, recycling and elimination are used, with all legal and regulatory requirements fully met.

Different types of waste are sorted accurately and kept in storage areas under appropriate conditions. Waste is prevented from contaminating the soil and water during

storage. All waste is then delivered to disposal firms that are licensed by the Ministry of Environment and Urbanization within the time frames set out by the Waste Management Regulation. With this method, more than 130 tons of hazardous and non-hazardous wastes were disposed of in 2020.

AKSA DOĞALGAZ IS AUDITED BY RELEVANT ACCREDITED ORGANIZATIONS ON A YEARLY BASIS TO MAINTAIN ITS SYSTEM CERTIFICATION AND VALIDATE ITS COMPLIANCE WITH THE SYSTEM.

As part of development of the Aksa OHS Software that is being used across Aksa Doğalgaz distribution companies, an additional module, i.e. Environmental Management Module, was designed and put into service. The Environmental Management Module incorporated into the software is used to monitor hazardous and non-hazardous waste under the Environmental Management System. All hazardous and non-hazardous waste is monitored with unique waste codes, and current amount of waste is tracked and instantaneously reported upon demand.

Environment

UNDERSTANDING THAT THE BIGGEST THREAT FACING NATURAL RESOURCES TODAY IS UNCONTROLLED CONSUMPTION, AKSA DOĞALGAZ IS COMMITTED TO ENSURE EFFICIENT USE OF NATURAL RESOURCES AT ALL OF ITS DISTRIBUTION COMPANIES.



Waste management training for Company personnel, especially waste management teams, are completed on an annual basis. The division of labor is determined for everyone and employee awareness is raised as regards collection of waste by category.

Waste Management During the Covid-19 Pandemic

With the outbreak of the Covid-19 pandemic, all office and field personnel began to use PPE and other equipment such as FFP2-FFP3 face masks, gloves, face visors, overalls and hand sanitizers for protection against

virus. Protective equipment waste generated especially in office spaces is handled as medical waste and collected in specially designed waste containers. We disposed waste generated in offices and fields in a controlled manner according to the rules of hygiene in cooperation with the municipalities of the towns and districts where distribution companies are located.

Natural Resource Management

Understanding that the biggest threat facing natural resources today is uncontrolled consumption, Aksa Doğalgaz is committed to ensure efficient use of natural resources at all of its distribution companies. Under the "Zero Waste" project launched by the Presidency of the Republic of Turkey in 2019 and supervised by the Ministry of Environment and Urbanization, Aksa Doğalgaz continued its efforts at 21 of its Regional Directorates in 2020, too. Putting the Zero Waste Management System in

WASTE MANAGEMENT TRAINING FOR COMPANY PERSONNEL, ESPECIALLY WASTE MANAGEMENT TEAMS, ARE COMPLETED ON AN ANNUAL BASIS.



place, the Company assumes responsibility in sustainable resource management and preservation of natural resources. Natural resource consumption levels are monitored on a monthly basis and duly minimized. As part of the paper-free office project, people-dependent applications were transferred onto digital platforms; the business processes were rendered swift and measurable; paper, energy and cartridge consumption was reduced.

Cities Breathe Fresh Air with Natural Gas

Using clean energy resources with the smallest environmental footprint has become not simply a choice but an obligation for the future of our country and the world. Natural gas stands out as a highly important and widely available source of energy that is high quality, safe and clean, since it provides advantages in sustainable energy policies and carbon economy management. Natural gas accessibility reached all of Turkey's 81 provinces in 2018 thanks to various distribution expansion efforts. During 2020, over 17.3 million residential subscribers consumed 14.5 billion m³ of natural gas in Turkey. According to calculations assuming that households without access to natural gas actually utilize coal and other fuels, use of natural gas in households prevented 33 million tons of carbon emissions in 2020. The average carbon emission of a household using natural gas in 2020 is two tons. With the use of natural gas instead of coal, carbon emissions per household were cut by 50%.

15.9 Million People and 300 Million Trees Breathe Easier with Akso Doğalgaz

During its 19 years of activity in the natural gas distribution sector, Akso Doğalgaz introduced a growing number of people to the comfort and convenience of natural gas by extending its license regions and expanding its subscriber base. Moreover, the Company monitors its environmental footprint in order to leave a more habitable planet for future generations. Moreover, the Company monitors its environmental footprint in order to leave a more habitable planet for future generations. Continuously expending efforts to expand the use of natural gas in Turkey and to raise citizens' awareness about the environmental impact of carbon-intensive fuels such as coal, Akso Doğalgaz plays an effective role in reducing air pollution in the cities where it operates. Active in 27 provinces and 188 districts and towns, Akso Doğalgaz brought about a 7 million ton reduction in carbon emissions in just one year by replacing coal use with natural gas in its license regions. This volume is equivalent to the amount that as many as 300 million mature trees in a forest of 4,300 km² would be needed to process. In Turkey alone, each year, 42,000 people die due to reasons associated with environmental pollution, while 30,000 people die due reasons associated with air pollution. The number of deaths associated with air pollution is 7 times higher than the number of people dying in road accidents. Reducing air pollution can provide a significant improvement to the public health as health issues connected with air pollution is estimated to reduce life expectancy of infants born today by 20 months, i.e. almost two years.

CARBON EMISSION SAVINGS ACHIEVED WITH NATURAL GAS IN 2020

33
million tons

Corporate Communication Activities

Uninterrupted communication with stakeholders

CORPORATE COMMUNICATION EFFORTS PLAY A MAJOR ROLE IN AKSA DOĞALGAZ'S SUSTAINABLE SUCCESS, ADHERING TO THE PRINCIPLE THAT COMMUNICATION WITH STAKEHOLDERS, PARTICULARLY SUBSCRIBERS, SHOULD BE UNINTERRUPTED.

Corporate communication efforts play a major role in the Company's sustainable success, adhering to the principle that communication with stakeholders, particularly subscribers, should be uninterrupted.

Putting Online Transactions channel in place to strengthen communication lines with its subscribers in 2018, Aksa Doğalgaz finalized integration with the e-Government portal in 2019 and began working on integrating the Online Transactions channel as part of migration to SAP in 2020. The company integrated its online assets into the SAP system to achieve a more effective management of in-house data exchange and operations and offer its subscribers the ability to perform many transactions via a single channel.

AKSA DOĞALGAZ BEGAN WORKING ON INTEGRATING THE ONLINE TRANSACTIONS CHANNEL AS PART OF MIGRATION TO SAP IN 2020.

Awareness-Raising and Announcement Campaigns During the Pandemic

Aksa Doğalgaz supported our country and healthcare providers in their fight against the pandemic by performing communication campaigns under the tags "#StayAtHome" and "LifeFitsIntoHome" through various channels, including its social media accounts, corporate website, SMS and e-mail. This video which contains a compilation of the messages sent by athletes of the National Wheelchair Tennis Team, which is sponsored by the Company, was the highlight of these communication efforts.

Posters and other materials were used in Aksa Doğalgaz's offices, in which employees came into physical contact with customers, to display information provided by the Ministry of Health about the use of face masks, social distancing rules and hygiene practices.

A Frequently Asked Questions page was added to Aksa Doğalgaz's corporate website which contained information about the actions taken by the Company in connection with the pandemic and how the subscribers could perform their transactions. Existing and potential customers were redirected to the Online Transactions channel for their natural gas utility transactions in

order to reduce the risk of infection. The website also included a page which provided information about how subscribers could obtain their HES code. Additionally, posters and flyers were designed on this subject for use at offices.

A poster was created to be handed out to subscribers during delivery of natural gas meters. This poster included information about the measures that needed to be taken by subscribers to protect both their health and the health of employees against the Covid-19 virus during various transactions project and installation controls and starting of natural gas delivery to the subscriber's premises.

Corporate Social Responsibility

Aksa Doğalgaz shapes its business operations in awareness of the Company's immense responsibility to society, which is the true source of its power, and strives to ensure that its social responsibility activities make a concrete, ongoing contribution to society at large.

Since its inception, the Company has monitored the social and environmental impacts of its activities in the regions where it operates, while guided by the social and environmental values of the Kazancı Group. In addition, Aksa Doğalgaz works to resolve local problems and raise the living standards of local residents. To become an integral member of each community where it operates, the Company engages in open dialogue with the resident population. Similarly, the Company invites all its stakeholders to share the core values of its corporate culture.

Aksa Doğalgaz strives to ensure that its social responsibility activities deliver concrete, ongoing contributions to society at large. Rather than investing in short-term projects, the Company works to execute long-term projects designed to become self-sustaining over time.

Energy for Tomorrow

In 2019, Aksa Doğalgaz teamed up with Aksa Electricity, Aksa Energy and Aksa Power Generation – Kazancı Group companies – for a major social responsibility project. With the project called "Energy for Tomorrow," volunteer employees from group companies have traveled all over the country and started to provide energy trainings in primary schools in villages.

During the training sessions, Energy for Tomorrow team members, consisting of Corporate Communications employees of group companies, provide students with useful information on many energy-related subjects, including energy resources, energy efficiency, conscious use



of energy, clean energy concept and energy production, in addition to their own areas of occupational expertise.

From the beginning of the project in March 2019 until the beginning of the pandemic, the team, which traveled more than 8,500 km and reached approximately 2,500 students in 25 village schools in 23 cities, visited village schools in Van, Ağrı, Elazığ, Malatya, Balıkesir, Çanakkale, Trabzon, Rize, Amasya, Tokat, Ordu, Giresun, Zonguldak, Düzce, Bolu, İzmir, Manisa, Bursa, Bilecik, Adana, Mersin, Hatay and Osmaniye in only nine months. Comprehensive trainings on energy were provided to 5th, 6th, 7th and 8th grade students.

Within the scope of the project, the team also reinforced the information provided and the students spent pleasant hours with the energy-themed math game and various experiments developed specifically for the project, as well as energy trainings. At the end of the events, Energy Encyclopedia -a specially designed illustrated book on energy-, backpacks and various school supply related items are given to the student participants as gifts. In 2020, the educational content of the project was turned into a cartoon version.

Sponsorship for the National Wheelchair Tennis Team

Aksa Doğalgaz is committed to supporting sports in its operating regions. The Company unites its corporate vision with this support via the Life Companion project and continues to support disabled athletes. Within this scope, Aksa Doğalgaz has sponsored the athletes on the National Wheelchair Tennis Team since 2018. Emirhan Toper, one of the athletes who were fully supported by Aksa

NUMBER OF
STUDENTS
REACHED VIA
THE ENERGY
FOR TOMORROW
PROJECT

~2,500

Corporate Communication Activities

AKSA DOĞALGAZ AIMS TO HELP REDUCE USE OF PLASTIC BAGS, WHICH CAN TAKE BETWEEN 500-1,000 YEARS TO DECOMPOSE. IN LINE WITH THIS TARGET, THE COMPANY PROVIDES NEW SUBSCRIBERS WITH REUSABLE NON-WOVEN BAGS INSTEAD OF PLASTIC BAGS.



AMOUNT OF
PRODUCTION OF
PLASTIC BAGS
AVOIDED THANKS
TO USE OF
NONWOVEN BAGS

3,200
kg

Doğalgaz with equipment and resources as well as opportunities for regular trainings and tournament participation, won the second place in the Youth Category at the Alanya Open Tennis Tournament held in Antalya and became champion in the Haydarpaşa Open Tennis Tournament by beating his English opponent. While Yunus Emre Arslan, who had achieved remarkable success last year with Emirhan Topel by winning third place in Paribas World Team Cup, also reached the semi-finals at the Haydarpaşa Open Tennis Tournament. Uğur Altınel, another national team athlete, reached the semi-finals at the Prag Cup held in Czech Republic and the quarter finals at the Wrexham Wheelchair and Bolton Indoor tournaments held in England.

"Let It Stay Natural"

Each year, Aksa Doğalgaz introduces more than 350,000 families across Turkey to the comfort and convenience of natural gas. In early 2019, the Company began delivering gas meters to its

subscribers in recyclable multi-use non-woven bags, rather than single-use plastic bags. Aksa Doğalgaz stopped using plastic bags in all of its distribution regions, thereby helping to reduce the production of plastic bags by more than one thousand tons.

Aksa Doğalgaz aims to help end the production of plastic bags, which amount to more than one ton each year. In line with this target, the Company ceased production of 3,200 kilograms of single-use plastic bags, providing new subscribers with reusable nonwoven bags instead. Plastic bags are non-recyclable and can take between 500-1,000 years to decompose. The new nonwoven bags for meters, an eco-friendly alternative to plastic bags, can be reused more than 100 times, for shopping or other needs. "Let It Stay Natural" is printed on the bags, drawing awareness to climate and environmental issues. Aksa Doğalgaz continues the use of recyclable bags in 2019, in accordance with the Company's commitment to leaving behind a greener world.

Life Companion

Providing uninterrupted and safe natural gas to nearly 3.6 million subscribers in 27 provinces and 188 towns and districts in Turkey, Akso Doğalgaz believes that equal opportunities across every segment of society can help ensure the economic and social development of our country. In this spirit, the Company closely monitors the challenges experienced daily by approx. 9 million disabled citizens in Turkey. Akso Doğalgaz developed the Life Companion project in 2015 to address these issues and make life safer for its disabled subscribers by delivering rapid services under emergency situations.

Through the project, when subscribers with disabilities who are registered in Akso Doğalgaz's subscription system call the Natural Gas Emergency Line 187 or the 444 4 187 Solution Center, they are connected to an agent within 6 seconds on average. As well, emergency teams are dispatched immediately to the location of the disabled subscriber, without the need for the subscriber to explain the situation in detail. Akso Doğalgaz aims to make the lives of subscribers with disabilities easier by delivering emergency services to such subscribers who are alone in a hazardous situation. The Company also gives priority to subscribers with disabilities when they connect to an agent and responds to their queries immediately.

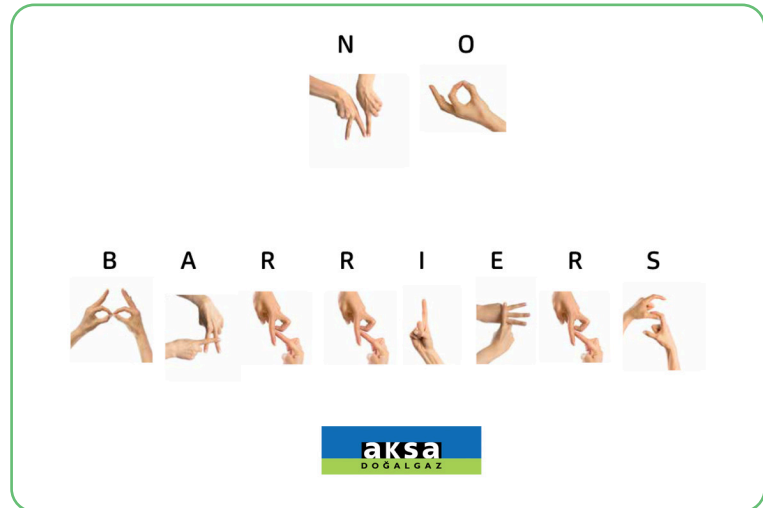
Number of subscribers registered to the Life Companion service reached 4,561, while the Company answered 1,571 calls and ensured on-site resolution of requests of 118 subscribers with the help of emergency teams.

Citizens with disabilities may register with the Life Companion service by completing the Disability Form and presenting their documents at the Company's offices or via the Online Procedures menu on www.aksadogalgaz.com.tr.

Other Social Responsibility Activities

Book, Stationery and Clothing Donations to Students: Akso Doğalgaz employees regularly visit the schools in their areas of operation, and provide students in financial need with school supplies, stationery and clothing.

Visits to Retirement Homes and Child Protection Centers on Special Days: Akso Doğalgaz personnel visit retirement homes and child protection society centers on special days, to support the individuals living in these facilities.



Number of Incoming Calls	1,571
Number of Tickets for which Work Orders are Created	118
Average Connection Time through 187 Hotline	6 sec

Blood and Stem Cell Donation to the Turkish

Red Crescent: At events held periodically under the coordination of Akso Doğalgaz, employees make blood and stem cell donation to the Turkish Red Crescent. Akso Ağrı Doğalgaz employees supported the #arınaumutol campaign started on social media in 2020 by making stem cell donation.

AKSA DOĞALGAZ DEVELOPED THE LIFE COMPANION PROJECT TO MAKE THE LIVES OF DISABLED SUBSCRIBERS EASIER BY DELIVERING MUCH MORE QUICKIER SERVICES DURING EMERGENCIES.

In-House Communication Activities

Akso Doğalgaz ranks among the most youthful companies in the industry, with an average employee age of 33. The Company believes in the importance of establishing solid relations with the younger generation as they enter the workforce. Akso Doğalgaz works to provide a peaceful and pleasant working environment for its staff and develops its in-house communication efforts accordingly. The Company organizes various events during the year and holds celebrations to mark special occasions. Its internal communication efforts position the Company as the "employer of choice" in the sector for both current and also potential employees.



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